NPTA MANAGEMENT NEWS JUNE 1987

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MN

The New York Times
THE AMERICAN DREAM: STILL PROVIDING INSPIRATION
NATIONAL PAPER TRADE ASSOCIATION HONORS FIVE INDUSTRY WORKERS
Management News Again Salutes Outstanding Performers
CAREERS IN SELLING PAPER PRODUCTS EXPLORED IN DETAIL
Opportunities Abound For Those Who Are Ready
Michael G. Muscinet
Neal T. Smith

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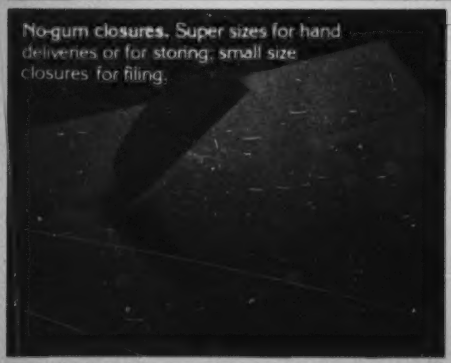

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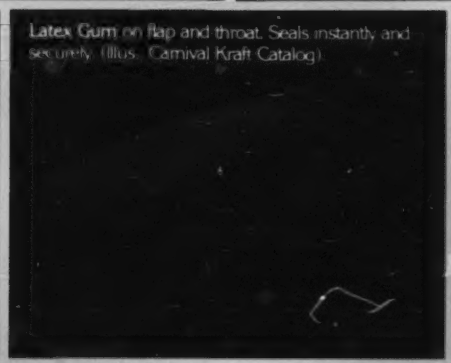

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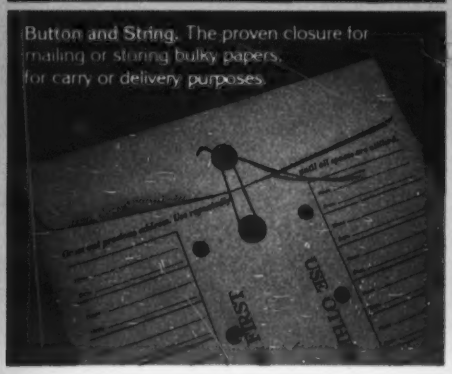

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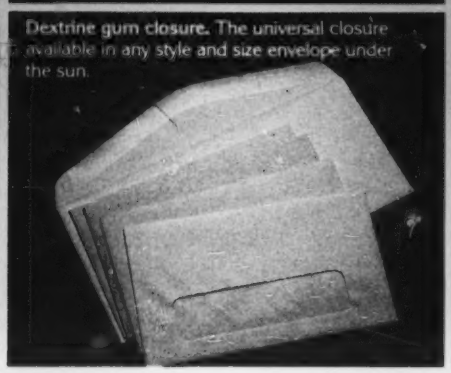

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MN

NPTA MANAGEMENT NEWS

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COVER PHOTO: Richard Chesnut

FEEDBACK

Open Forum

The opinions, ideas, and concerns of the readers are important to the National Paper Trade Association—The Publisher of Management News. To get your thoughts in print, direct your correspondence to the editor.

Insecure Management is Problem for Industry

Congratulations on *Management News*. I take great issue with Mr. Houlihan's remarks (Chairman's Corner, February, 1987) concerning two very different segments of the paper industry.

By not becoming specialized during my management years, we managed to outperform various segments of the paper industry by leaps and bounds.

The problem with paper distribution, as in many other industries in the U.S., is insecure management; scared to make needed changes for the future.

The future ends up engulfing them by buyouts, Chapter 11 or the death of companies. In the process we are needlessly causing great suffering economically and in the lives of our fellow human beings.

"Low cost producer" has become a new buzz term. It has always been around. What about revival of something corny like "multi-skilled professionals?" And if you cannot become multi-skilled, you're really not a pro.

I wonder what would happen to many of our gunners if that time came every day to pick up the brief case and earn bucks on commission. What about the future that we are presently looking forward to?

Jim Atherton
Goal Mine, Inc.
Islamorada, FL

PAPER Foundation Story Draws Praise

Your cover story in the January 1987 issue on the PAPER Foundation deserves the careful attention of all of your readers.

For too long, wholesale distribution has received less attention from the academic community than warranted by its pivotal role in the economy.

The work of your Foundation will assist in reversing this situation while also providing distribution management with the knowledge to maintain the merchant wholesaler-distributor as the most effective means of moving product to market.

We are privileged to recognize Jay Church, chairman of the PAPER Foundation, as a new member of our Board of Directors. He joins NPTA president John Buckley, a member of our Distribution Research and Education Foundation Board, as important members of our leadership.

Dirk Van Dongen, president
National Association of Wholesaler-Distributors
Washington, D.C.

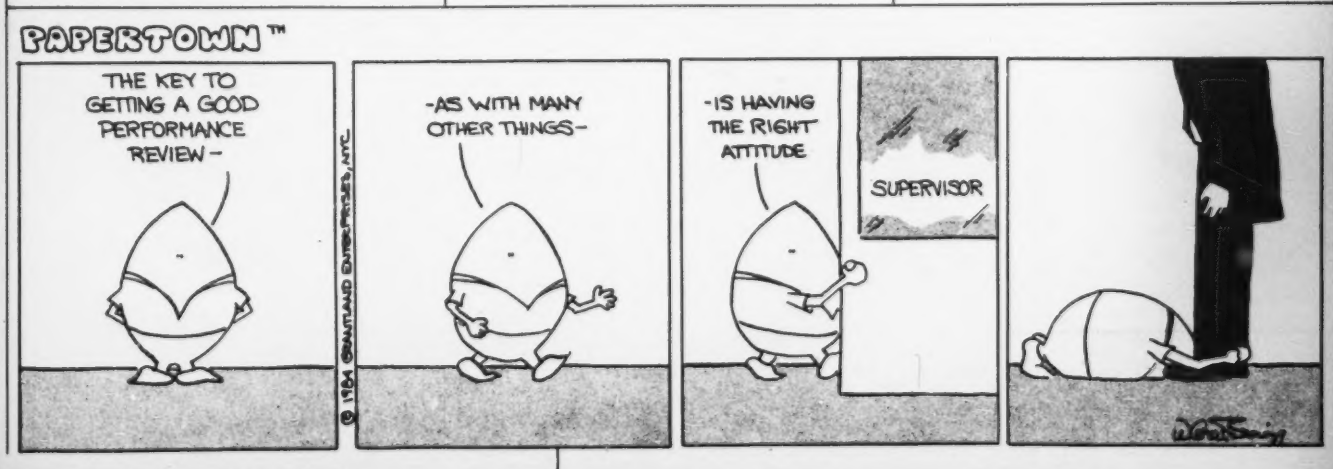
Crystal Ball Important for Business

I enjoyed reading your introductory article on the New Strategies for Growth report for Paper Distribution. The notion of looking into the crystal ball to determine the strategies required for success is a most important one. In our high-tech age, the pace of change is so rapidly accelerated that the future, and its accompanying challenges, confronts us much more quickly than five or ten years ago.

Perhaps *Management News* or this column could serve as a forum for sharing some of the ways that progressive distribution is preparing for those challenges.

Management News is a real asset to our Association. Its ability to serve as a forum for new ideas can only make it more valuable. Keep up the great work.

Richard A. Mignano, vice president,
sales and marketing
Inlander-Steindler Paper Company
Elk Grove, IL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Standards Committee Formed by NP&PA

The National Paperbox & Packaging Association has formed a Paper Standards Committee to help rigid boxmakers improve their use of many grades of cover stock. The committee's first meeting was held in March, and was attended by representatives of Hazen Paper Company, Hampden Papers, Inc., Sullivan Paper Co., Inc., Thilmany Pulp & Paper Co. and Louis Jacobs & Son, Inc.

Steve Jacobs served as interim chairman of the committee, which was scheduled to meet again in New York in early May. The committee was formed following the NP&PA's Rigid Box Workshop during which it was brought out that there were many unresolved complaints in the use of various grades of cover papers. Mr. Jacobs said that he hoped the committee would be used to encourage the creation of standards for various manufacturing processes used in both rigid boxes and folding cartons. At present the committee is engaged in research of existing paper standards for both rigid boxes and folding cartons in order to avoid overlapping work that has already been accomplished by other organizations.

Kanzaki Hosts Reception During API's Paper Week

Two new companies were toasted at a reception held at the Helmsley Palace Hotel and hosted by Toshihiko Kawamura, president of Kanzaki Paper Mfg. Co. Ltd. of Tokyo. Kanzaki Specialty Papers, Ware, MA, was formerly Ludlow Specialty Papers, while Kanzaki USA, Inc., Tarrytown, NY, was formed specifically to support the manufacturing facility in Ware as well as Kanzaki's other North American marketing and sales activities. Both companies are under the direction of Kazuhiko Watanabe, who has been responsible for Kanzaki's North American marketing operations for several years.

Over 350 guests attended the reception, including many representatives of both American and foreign pulp and paper manufacturing operations as well as paper merchant distributors, raw material suppliers, members of the financial community and O.E.M. customers. Kanzaki has had long-standing business relationships with many American companies, including Champion International, Georgia-Pacific, Boise Cascade, Potlatch, Engelhard and others.

Kanzaki is one of the world's leading paper manufacturers and coaters, with two large mills in Japan. Mr. Watanabe said that some products the company makes in Japan would now be made in their American mill, and that the company plans to offer a much broader line of specialty papers to the North American market.

NAW Creates New Lobbying Coalition

According to the *Business & Public Affairs Fortnightly* newsletter of the National Association of Wholesaler-Distributors (NAW), a new group has been formed of some 140 corporations and trade associations under the leadership of NAW to lobby against mandated employee benefits legislation being proposed in Congress. Called the Coalition of Responsible Employers (CARE), the group includes not only the wholesaler-distributor trade associations belonging to NAW, but companies such as Carnation, Dayton-Hudson, General Motors, J.C. Penney, K-Mart, Sears, Roebuck, the American Retail Federation, the National Association of Manufacturers and others.

Among the legislative proposals that are of concern to the coalition are: catastrophic health insurance, guaranteed unpaid parental leave for births or illness of children or parents, requirements for minimal health insurance and employer contributions to state risk pools providing medical benefits for the uninsurable. The coalition believes that such government mandates would "undermine the voluntary, flexible, comprehensive and relatively affordable benefit system developed by the private sector."

For more information on the new coalition, contact Mary Tavenner, CARE, c/o National Association of Wholesaler-Distributors, 1725 K St., N.W., Washington, D.C. 20006 or call 202-872-0885.

Valentine Paper Company Transfers Product Lines

Valentine Paper Co. (formerly Valentine Pulp & Paper Co.), a Division of Technographics, Inc., has completed the transfer of their specialty products lines to the company's mill in Lockport, LA. Among the specialty lines involved were Wallcovering, Diazo Coated Base, Surgical Packaging Papers, Greeting Card and Flame Retardant, all of which had been produced by Fitchburg Paper Co.

Phase I of the Valentine Plant upgrade has also been completed, including a new chemical storage and preparation system, new refiners for both paper machines, a new calender stack, a reel and void detector for #1 P.M., rebuilding #1 P.M. winder and rebuilding the converting rewinder.

Single Service Institute Urges United Front

If Joe Bow had a theme song it would probably be, "It seems to me I've heard that song before..." Joseph W. Bow is executive vice president of the Single Service Institute, the association for disposables in food service and packaging. As such, he has a certain sense of déja vu about some of the problems facing the industry today.

"This industry can't afford to become complacent," he said recently, "because problems like litter control, solid waste management and air and marine pollution don't ever go away permanently...they just lie dormant for a while, and then come back to haunt you."

As a new Congress takes over in Washington, and a six-year hiatus in anti-big business fervor draws to a close, Bow sees signs that old troubles and old foes are standing in the wings, "licking their chops," waiting to take new and troublesome actions against the industry.

"Increasingly," Bow says, "state and local

governments, cities and even towns, are yielding to environmentalist pressures and proposing legislation and regulation that could, if not checked, cripple this industry. On top of that, there's the new Congress and the EPA...all of them taking new, hard looks at such issues as litter, solid waste disposal, degradability, air and marine pollution, and CFC use by the industry. The pendulum is swinging back against us."

The industry has done a great deal in recent years, according to Bow, to solve some of its major problems. He cites as examples:

- continuing research by the industry on the whole problem of degradability,
- ongoing support for Keep America Beautiful, of which SSI is a founding member,
- improvements and changes in the technology of the industry's manufacturing process,
- extensive education on the disposing of disposables to both industry and consumer,
- the development of industry task forces and coalitions of related industry associations to help promote research and education, as well as interaction between the industry and concerned federal, state and local governments and environmentalist groups, and
- an active government relations program that keeps its finger on the legislative pulse of the country at all levels of government.

"In the long run," Bow says, "the industry has acted responsibly. It can be proud of its achievements and should actively promote the positive values of its products...sanitation, water and energy conservation, cost containment and convenience.

"At the same time, the industry must increase its educational efforts to the end-user for the responsible disposal of disposable products.

"But nobody can do it alone," Bow maintains. "If each of us goes his own way, they'll pick us off, one by one. Each company in the industry should join its appropriate trade association and participate in the programs that are so vital to the continued health and vitality of the industry. SSI, APE, FPA, SPI...we're all working on many of the same problems. We'll accomplish more for the industry and speak with a stronger voice if we have full participation by industry leaders.

"There's a greater need for industry unity today than ever before," Bow said recently, "for the day is not far off when, if we don't all hang together, we'll all...well, you know how it ends."

News Briefs

APPLETON PAPERS, INC., spurred by the growing demand for high quality thermal paper products, is going to construct a multi-million dollar thermal paper coating machine and expanded coating preparation facilities at its Appleton, WI, plant. The new computer assisted equipment, which is expected to go into operation in the second quarter of 1988, will triple Appleton's existing thermal paper capacity. Thermal paper is

Paul H. Hirsch, president and Joel J. Farkas, secretary-treasurer of Liberty Paper Company Div. of J. Liberman Company, Inc. announce the addition of Harvey Hiller (center of photo) as a partner. Mr. Hiller has been with the firm since 1973 and is recognized as one of the leading salesmen in the industry. He will serve as vice president and director of sales with the aim of expanding the existing sales force.

CHAIRMAN'S CORNER

"What Is YOUR Path to Success?"

A man can measure his own success or be measured by others. For those of us who are employers we must capitalize on our investment and help our employees become the most they have within themselves to be.

That means we assist them with opportunities for additional education (e.g.: making use of the many NPTA seminars/books, cassettes, etc., that are available), adopting new skills when necessary and planning/setting goals. We encourage fledgling salesmen to take communication/writing courses, sales courses, and to accompany our veteran salesmen on their calls to customers and also vendors. Practice with our weekly VCR taping sessions adds to their repertoire and all skills are then reviewed and critiqued by the sales manager, who lends his advice and support where needed.

Choose people who fit into your organization. Then delegate and provide an atmosphere that encourages creativity. Supply not only a chance to grow with the company, but allow recognition for their contributions.

Help your people to be successful and you will be successful.

Francis J. Houlihan
NPTA Chairman

used in facsimile units, calculators, minicomputer printers, chart recorders and label printers. Heat from a thermal printhead creates the image on the paper. Appleton Papers is a subsidiary of BATUS Inc., Louisville, KY.

SCHWARZ PAPER COMPANY, Morton Grove, IL, has purchased Iroquois Paper Company, Chicago, which was a division of Iroquois Industries. Marvin B. Gordon will continue as president and CEO of Iroquois Paper.

James River Acquires Dunn Paper Company

James River Corporation has broadened its specialty paper business by purchasing Dunn Paper Company from Dennison Manufacturing Company. Dunn, which has plants in Port Huron, MI and Wiggins, MS, is a major producer of lightweight coated and uncoated specialty packaging and industrial paper grades used for food packaging, commercial printing, labeling and gift wrap. The company also produces one-time carbonizing paper used in computer forms, credit card forms and airline tickets. Dunn had annual sales in 1986 of $65 million. James River expects to continue all of Dunn's current operations and to retain almost all of Dunn's employees.

Georgia-Pacific Restructures Southeast Chemical Sales Force

The specialty chemical group of Georgia-Pacific Corporation has expanded its sales force and will have each sales representative focus on a more concentrated area in the southeastern sales region.

Paul Covert will be responsible for North Carolina, South Carolina and Tennesssee (except Chattanooga), Fred Horowitz will cover Chattanooga, Georgia, Alabama and parts of Florida and Jim Borg will service customers in Arkansas, Louisiana, Oklahoma and eastern Texas. Jim Faulk will be assigned to selected paper mills throughout the region.

Stephen Henry has joined G-P as technical sales representative for eastern Texas, Louisiana and western Mississippi. A chemical engineer, he has had more than eight years of in-mill engineering experience.

Hugh M. Marx Dies

Mr. Hugh M. Marx, chairman of the board of Piedmont National Corporation, Atlanta, GA, passed away on March 8, 1987. He would have been 89 years of age on March 17th, and, at the time of his death, was still active in the company.

Mr. Marx's career in the paper industry spanned 65 years, both in sales and administration. After spending a year in the United States working for the Memphis Paper Company, Mr. Marx started his own converting and distribution company in Stuttgart, Germany in 1923.

Forced to flee Germany with his family in 1938, Mr. Marx took a sales position with the Little Rock Paper Company, becoming part owner several years later. In 1948 he became sales manager for the Atlanta Paper company, and in 1950 started the Piedmont Paper Company in Atlanta. In the 1970s the company changed its name to Piedmont National Corporation in recognition of its expanded service area.

Mr. Marx is survived by his wife, Paula, two children, five grandchildren and three great grandchildren.

People in the News

James I. Weigley, CPA, has been appointed assistant controller of Rourke-Eno Paper, Hartford, CT. Rourke-Eno is a division of Paper Corporation of America, an Alco Standard Company, and prior to his new assignment, Mr. Weigley had held several management positions with both of those companies.

Dana G. Mead has been named senior vice president for White Papers Business, a merger of International Paper Company's White Papers Group and the Hammermill Papers Group.

Peggy Russo Pelletier has been named marketing manager for the New England

Paper Distribution Industry
Best Sellers

Rank	Publication	Last Mo.
1	Paper & Ink Relationships. *Williams.* $30.	5
2	Branching and Market Coverage. *Healy.* $35.	2
3	Paper Merchant's Guide to Profitable Management. *NPTA.* $49.	4
4	Strategic Planning: A Fitness Program for Wholesalers. *Arthur Andersen.* $35.	3
5	Win-Win Telemarketing Program. *Zibrun.* $135.	7
6	Effective Financial Management. *Mullins.* $35.	1
7	Higher Profits from Day One. *Arthur Andersen.* $250.	10
8	What Really Helps (or Hurts) Your Company's Bottom Line. *NAW.* $50.00	—
9	Automated Inventory Management. *Graham.* $35.	8
10	Handbook of Distribution/Customer Service. *Blanding.* $40.00	—

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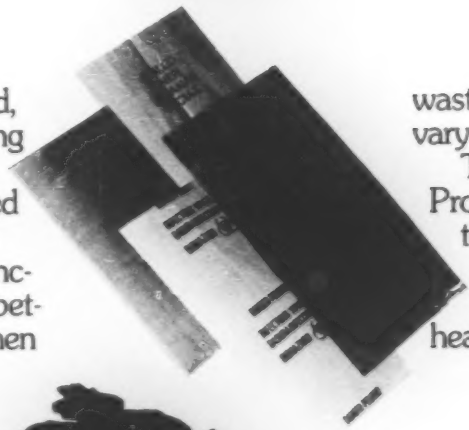

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division of Ris Paper Company. She will be responsible for all marketing and sales promotion activities in the New England region. Ms. Pelletier comes to Ris from Lindenmeyr Paper Corp., where she held the title of manager of sales promotion in the Canton, MA office. She has been involved in the graphic arts industry for 7 years, and is a member of the New England Advertising Club, Art Directors Club of Boston and the Boston Chapter of AIGA.

Lou DeYenno of Ris Paper Company, Pennsauken, NJ, has been elected to a 1 year term as president of the Paper Trade Association of Philadelphia. He has been a member of the board of directors for the past 3 years, and was vice president this past year. One of the activities of the Paper Trade Association of Philadelphia is the granting of scholarships to students attending colleges and universities in the Delaware Valley.

Russell E. Greaves and **Florence Williams Staruski** have both retired from Ris Paper Company. Mr. Greaves, manager of the industrial department in Pennsauken, NJ, spent 53 years with Ris. In 1984, Mr. Greaves was given a surprise dinner party, attended by Ris executives, staff and customers, to commemorate 50 years of service to the company. Ms. Staruski, known as Flossie, worked for John Carter & Company, Boston, MA. When Carter was acquired by Ris, she became part of the sales service department at Ris, and worked for the two companies for a total of 50 years.

Joseph M. Scarpelli has been appointed executive vice president, sales, and **Josh Epstein** has been named vice president of Willmann Paper Company, New York City. Mr. Scarpelli began his career in the paper industry in 1972, and joined Willmann in 1980 as a vice president. Mr. Epstein has been with Willmann since 1976. Willmann is marking its 109th anniversary this year.

Michael D. O'Halloran has been appointed manager of Butler Paper's Fort Worth branch. He has been with Butler Paper for 18 years, most recently serving as branch manager in Green Bay, WI.

Jeffrey Friedberg has become operations manager for the New York division of Ris Paper Company. Mr. Friedberg has been in the paper industry for almost 18 years, and had spent the last 9 years with Willmann Paper Company, where he was director of purchasing and operations.

Mary Annable has been appointed to the position of sales promotion specialist by Seneca Paper, Rochester, NY. Ms. Annable will be responsible for the company's specification sales to advertising agencies, colleges and corporate design centers throughout central New York.

Joseph E. Labenz has been promoted to the position of president of Garrett-Buchanan Company, a major distributor for the printing and graphic arts industry in the middle Atlantic region. Mr. Labenz, who has spent his entire career with Garrett-Buchanan, was formerly executive vice president and chief operating officer for the company.

Marion C. Leland, secretary of Leland Paper Company, Inc. of Glens Falls, NY, died on February 8, 1987.

Robert L. Jacobs has joined WWF Paper Corporation as senior vice president-finance and is now the company's chief financial officer. Mr. Jacobs, a CPA, had been with Unijax for the last 13 years where he also held the position of vice president and chief financial officer. At WWF, he will help operate a company which has over 20 warehouses and converting facilities in the U.S. and the U.K. and has annual sales of about $600 million.

David M. Dooley has been appointed president of Duni Corporation, Milwaukee. Mr. Dooley comes to Duni from Lily-Tulip Inc. where he held a variety of sales and marketing positions in the food service and retail disposable markets over the last 18 years.

Thomas J. Wenrich has been appointed president of Noland Paper Company, Buena Vista, CA. Mr. Wenrich had been president of Paper Products Marketing, Portland, OR, since 1978, and had also worked for Boise Cascade Corporation's Paper Division in Portland.

Larry Swanson, president of Freeman Paper Company, Green Bay, WI, was recently elected to the board of directors of the American Paper Institute-Tissue Division. He was also appointed chairman of the Industrial Products Committee at Paper Week held March 9–11 in New York.

JUNE

1. *Boston Paper Trade Association's Golf Outing. Contact Albin Johnson, Jr., 617-748-2272.*

15–17. *International Pulp-Paper & Converting Exhibition and Conference for Asia, Tokyo International Fair Grounds (Harumi). Contact William R. Burris, E. J. Krause & Associates, 301-986-7800.*

16–19. *Paper Industry Management Association's (PIMA) 68th Annual International Management Conference, Radisson Hotel South, Minneapolis, MN. Contact Scott Baumruck, 312-956-0250.*

19–23. *Heart of America Paper Association Meeting. Lodge of Four Seasons, Lake Ozark, MO. Contact William E. Saunders, 314-946-8733.*

JULY

31. *Managing Customer & Product Line Profitability. del Cornado Resort, San Diego, CA. Contact NPTA.*

SEPTEMBER

19–22. *NPTA's Annual Convention and Exposition "Paper People Paths to Success," Atlanta, GA. Contact NPTA.*

28. *New England Paper Merchant's Association Golf Outing. Contact Albin R. Johnson, Jr., 617-748-2272*

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Printing Paper

New Film on Graphic Arts Careers Available from NPES

A 15 minute film titled "Opportunities in Graphic Communications" has been produced by the National Printing Equipment & Supply Association (NPES). It is aimed at high school and technical students and is available in 16mm ($100) and video cassette ($25).

The film reviews the diverse and rewarding careers in the graphic communications field. A personalized trailer that will feature your company's information may be added for $25.

For more details, or to order a copy, contact: NPES, Department A, 6849 Old Dominion Drive, Suite 200, McLean, VA 22101.

RittenhouseTown Commemorates History of Paper

In an effort to make the history of paper come alive and to commemorate the country's first papermaker, William Rittenhouse, the Friends of Historic RittenhouseTown have made some special stationery available. Featuring a line drawing, by Jan Gleysteen, of the RittenhouseTown restoration in Pennsylvania, the boxed notepaper is printed in two colors on beautiful text paper. To order ($5 per box), forward a check to: Friends of Historic RittenhouseTown, 3612 Earlham St., Philadelphia, PA 19129.

Quick Printing Sales Top $5 Billion in 1986

The Commerce Department now estimates that quick printers have broken through the $5 billion mark with franchise operators accounting for 20% of total sales. Early 1987 estimates show a continuation of the sales increases, reports *Quick Printing* magazine, and that franchises will continue to be strong.

Franchises are hot. The Commerce Department has put the number of U.S. quick printing establishments at 5,137—a 13.9% increase over 1985. The top three franchise states are California, Texas and Florida, with a total of 1,480 locations. New York, with 10% of the U.S. population, only had 4% of all franchise operations—indicating that independents may be more popular in the Big Apple.

The largest quick printing companies are chain operations that franchise each location to a local owner. Postal Instant Press (PIP) is the only national operation boasting over 1,000 locations. Quick printer franchise set-up expenses have increased as well, reports *Quick Printing* magazine. The total investment required in 1987 is expected to average $113,850.

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Industrial Paper

A Harbinger of Things to Come? Plastics Targeted

There is more and more discussion on the problem of discarded plastic products such as fast food take-out trays and cups and many other products. At the heart of this discussion is the tremendous problem of municipal waste and how to deal with it. Many municipalities have attempted to dictate to manufacturers how products are to be made and sold. They have put a great deal of pressure on manufacturers in the areas of research on how municipal waste can be dealt with.

Most recently, the City of Berkeley, CA has become the scene of one of the first legal fights on the issue. As reported in *Single Service News*, the newsletter of the newly named *Foodservice/Packaging Institute* (formerly *SSI*), the Subcommittee on Plastics of the City of Berkeley has proposed an ordinance which would require take-out packages to be biodegradable. Should the ordinance be passed, it would take effect in 1990, and would apply to all food service products, including cups, containers, bowls, wrappings and bags as well as many other products. Polystyrene packages made with CFCs are more than likely to be banned from use because they are more difficult to break down than other product materials.

The proposal follows weeks of discussions involving Berkeley citizens, local store owners, SSI staff and other industry representatives. At one point the degradability requirement was dropped as the Subcommittee realized the complexity of the issue, but, in the end, the desire to send a message to the plastics industry won out.

It is likely that similar action will be taken in other cities should the ordinance pass. It would naturally be used as a precedent and become a domino effect.

A similar action is also being considered by the City of Santa Monica, CA, which has several take-out restaurants lining its beachfront. Santa Monica is trying to reduce litter as well as cope with solid waste disposal problems.

Much of the litter problem lies with the American public's ability to dispose of these products in a reasonable manner and thus help municipalities deal with the discarded products as easily as possible. Unfortunately, efforts in this direction have been only marginally successful.

It remains to be seen just how far this issue will reach in its growth and what effect it will ultimately have upon paper, plastics and allied product distributors. But one thing is clear—the problem exists and its solution will have dramatic ramifications on the future of food service disposables.

The Packaging Crisis

Many voices are being heard on this issue. Some are calling for more legislation, some for more civic responsibility from both manufacturers and citizens. The severity of the proposals depends upon who it is you hear them from.

"You make a hamburger that can be consumed in five minutes and package it in a container that will last as long as the pyramids," comments a New Jersey Assemblyman who is fueling the fire for the anti-plastic packaging fight now spreading across the country.

"We want to send a message to the plastics industry!" stated a Berkeley City Commissioner. The feelings behind statements like these are also reflected in recent legislation introduced in Oregon, Vermont and other states. The message is being heard loud and clear that if these products are to be manufactured in such large numbers, the industry itself must aid in the disposal problems which result.

Degradability and recycling have been proposed by environmentalists as possible solutions. Neither is truly practical for food service and packaging disposables. The only feasible long-term strategy for handling used single service products is to recapture their energy through waste-to-energy incineration.

Waste-to-energy incineration is not a popular idea in most communities. It is a concept which must be promoted. The biggest part of the job will be to educate the public on the efficiency and value of the results, as well as the safety of modern incineration plants.

Waste-to-energy incinerators take a long time to locate and build. In the meantime, pressure will continue to build to reduce garbage going to landfills. This will more than likely result in proposals for the banning of and the taxing of products that cannot be recycled and do not degrade.

While today's debates concern plastics only, it is quite probable that the discussions will eventually include other packaging products. A recent study by Franklin Associates for the Environmental Protection Agency showed that paper and plastics are increasing as a percentage of municipal solid waste. A desire to cut down on "excessive packaging" and a desire to treat all industry fairly will result in attention to all packaging products and spotlight the problems associated with them.

The industry must respond with involvement and education. Manufacturer employees should involve themselves in local litter programs to show municipalities they wish to assist in the removal of the most visible source of the problem. Speeches to local citizens groups dispelling the popular myths about waste-to-energy incineration will also go a long way in the fight against this legislative nightmare.

The industry must also become more involved with the policy-making process. This means becoming more involved on a state, local and perhaps federal level now. The industry cannot wait until attitudes have been solidified and decisions have been made.

NPTA's Industrial Papers Division will be working on ways to keep members involved in the distribution of these products abreast of the latest news of both legislative efforts and ways in which they can participate and fight the legislation. In addition, the Division will stay in close contact with the *Foodservice/Packaging Institute* and is in the planning stages of producing a joint symposium on both this issue and many others facing the industry. Details and dates for this symposium will be announced following the formalization of the plans.

American Dream: Still Providing Workers With Inspiration

Ever since the early 1600s, the part of the world that became the United States has had a magnetic appeal to people from other countries. It didn't take long for the early English settlers to realize that life in America was not the same as life across the Atlantic. While each colony had a Royal Governor who was the official representative of the King, the descendents of the early settlers soon adopted a different attitude toward life than was possible in England (or any other European country, for that matter).

In all the other countries, life was governed by a rigid social order and who your parents were determined what kind of life you were destined to live. In America, however, things soon became different. The colonies, though under royal control, were not burdened with a pack of noblemen whose families had owned everything in sight for hundreds of years. There was a degree of individual freedom that was not only unavailable but unthinkable anyplace else.

by Ira B. Newman

When the colonists became upset because they thought that they were not being treated the same as citizens back in England, it did not take them long to realize that they would be better off as masters of their own fate, and the 13 colonies soon became the United States of America.

The career of Benjamin Franklin, who went from penniless printer's assistant to one of the leading men of the nation was indicative of the opportunities available to Americans. In the period following the Civil War, Horatio Alger wrote books with titles like *Ragged Dick*, *Luck and Pluck* and *Sink or Swim*. Invariably, the hero was a young boy who rose from the lowliest of beginnings to become a highly successful adult. Nobody reads Horatio Alger's stories anymore, but his name has become a synonym for a rags-to-riches success story.

Our lives today may be very different from the simpler lifestyle that prevailed over 100 years ago, but the American Dream is still a major influence in our lives. Success, of course, is not measured solely on the basis of how much money we earn. Comparatively few of us will ever become rich, but to have advanced in our jobs, to be given greater levels of responsibility, to have earned the respect of our fellow workers and to know that we are making a worthwhile contribution to society are all important ingredients of being a "success." Opportunity still exists for those who want to strive for it, and *MN* is proud to bring to your attention just a few of the individuals whose careers in our industry prove that desire, coupled with hard work, education and the right attitude can bring a high level of success to those who exhibit those characteristics.

Larry Cieslak: Atypical Salesperson

by Jeffrey H. Grover, assistant vice president-sales
National Paper & Packaging Company
Cleveland, OH

Larry Cieslak is not your typical salesperson. When he started at the National Paper and Packaging Company in Cleveland six years ago, Larry was a 22-year old material handler. He worked in the warehouse for four years, earn-

ing praise for his excellent work attitude and for pride in getting the job done right the first time. Much of Larry's productivity and work ethic was gained from his father, Ed, a National Paper driver with a forty-year service record. This drew the attention of National Paper's sales and operational management team.

Larry was promoted to the Customer Service department. His broad product knowledge went to work quickly for him: his comprehensive training in NAPCO's product mix provided a "hands on" reference to help guide NAPCO's customers. Larry's proactive approach, on the receiving end of the telephone, created many additional sales to customer orders, as well as a significant closing rate of new accounts. His efficiency, excellent listening and probing skills, enthusiasm and desire to help solve problems made him an ideal candidate for outside sales.

Now Larry enjoys working in an important outside territory. As an outside account representative, Larry's knowledge and experience inside has substantially increased his productivity as he continues to sharpen his sales skills. Larry is now performing a valuable service to his accounts, and he has eclipsed all previous performance records by first-year sales people.

Iberia Adams: Looking for Challenges

by Seth Landsberg, general manager
Kent H. Landsberg Company
Montebello, CA

It was 1962 when Iberia Adams came to work for the Kent H. Landsberg Company. The company was much smaller then, but it was about to embark on the explosive growth pattern that would propel it to a leadership position among Southern California paper distributors.

Even then the company operated at a high energy level and Iberia took charge of an area of especially concentrated activity. Her assignment, which she handled alone, was switchboard operator, receptionist, message center radio operator and mail girl. When you consider some 17 people now handle these responsibilities, you can get an idea of her work load.

Iberia became almost too good at her job. Although she was always interested in learning more about company operations, she was considered so valuable in her communications position that she was urged to remain there for a number of years. Finally, the message center-switchboard was re-structured and Iberia got the chance to move into Sales Service.

As an Order Administrator, Iberia discovered an instant rapport with customers and she developed the ability to work with sales people so that they had complete confidence in her problem solving capabilities.

Iberia Adams at work at the Kent H. Landsberg Company.

Over the years she acquired an almost encyclopedic product knowledge and her familiarity with the idiosyncracies of various accounts became legendary. During this time she gave little thought to advancing beyond Order Administrator. She was content to simply do that job as well as it could be done.

Eventually, though, she felt she was ready for further challenge. On her own, she began to attend courses in supervisory techniques and people management. When the position of Sales Service Supervisor opened up, Iberia was an obvious choice.

Her new responsibilities are many. She's on the front line with customers and the sales force, but she finds her greatest satisfaction in the training aspect of her position. Working with her newer people so that they gain the confidence and ability to handle their jobs at a level consistent with Landsberg standards is very fulfilling.

Iberia considers her years of service adequate comment on how she feels about her company. She started her career 25 years ago with dedication and enthusiasm and she maintains those qualities as she addresses each new day.

David Roberson: Keeping on Top of Inventory

by David L. Bayles, president/treasurer
Tayloe Paper Company
Tulsa, OK

Over the last several years, Tayloe's Industrial Paper Division has been the mainstay of our company. The sales have constantly increased and have sustained our organization through one of the longest and deepest recessions since the dust bowl days of the 1930s.

The individual who has taken over in this hot spot of Tayloe Paper is our Industrial Purchasing Manager, David Roberson.

David started with Tayloe as a truck driver in July, 1977. After driving a truck for 18 months, he was offered the opportunity to join our purchasing staff as a buyer in December, 1978. He has since "paid his dues" by continuing his education, first in the computer field and then by obtaining an Associates Degree in Purchasing and Materials Management. Last June, when an opening occurred for Purchasing Manager, the obvious choice was David. He is now responsible for the management of all industrial products purchasing and he oversees the inventory and delivery of the products to our customers.

One real benefit of David's expertise is the control of inventory. We now know what items move well and what items require special consideration for selling (special pricing). He manages the ordering for inventory and for special customer requirements. Customer service is recognized as a special demand upon David's time and they always get the attention required to meet their service needs.

As a member of the Tayloe staff, David participates in the International Sanitary Supply Association and the Affiliated Paper Companies Association.

We are especially proud of David's strong personal commitment to his family and his future. David is the Secretary of the Intermediate Sunday School of St. Andrew's Baptist Church. He is active at St. Andrew's, along with his wife Linda and two children, Michael and Janice.

Ned J. Smith: Helping to Mold the Company

by James B. Brame, Jr., president
Brame Specialty Company, Inc.
Durham, NC

Ned J. Smith came to work at Brame Specialty Company on March 27, 1954. Ned recalls that the company would be glad to hire him, but he would have to make his own work spot because, at the time, nothing was really available. He was very eager and decided he could make himself useful in the accounts receivable arena. Before long he began to assume responsibilities in the credit department, and became our credit manager. Ned has consistently kept our bad debt losses below industry averages.

Somewhere along the way Ned began to wear the hat of personnel manager in addition to that of credit manager. Over the years Ned has interviewed and hired more Brame employees

than anyone else in our history. Since any company is a reflection of the people that make it up, Ned obviously has had a tremendous impact on Brame Specialty Company.

In has capacity as personnel manager, Ned has handled company benefit plans, such as profit sharing, retirement, life, disability and health insurance and our employee assistance program. He's our perennial United Way Campaign Chairman and has kept our employee group among the top per capita givers in our community. On the personal side, Ned and his wife, Gladys, have two grown sons, Jim and Jay. As a family, they have always been close and have enjoyed many camping trips together. Ned is active in his church and this involvement is reflected daily in both his personal and business life. Ned's exemplary performance was recognized by his election as Corporate Secretary on January 4, 1965, and as Vice President and Secretary on January 22, 1985.

Ned has worked closely with all three Brame generations—all of whom have and do consider themselves fortunate to have had the pleasure of association and the benefit of his contributions over the past 33 years. His fellow employees feel the same way, grateful for what he has meant to them—whether listening when they need to talk, sharing a problem or whatever. And when there is a problem, you can count on him being a part of the solution.

Whether as a teacher, leader, coach or counselor—a loyal, dedicated, capable, common sense, people-minded person—yes, this man's for real. A man of whom we're mighty proud—and happy to salute. One who says himself that he was once a "flunky" and is now Vice President and Secretary of our company.

Michael G. Moncrief: Creating His Own Niche

by Bennett N. Scott, Ph.D., director of Human Resources
Century Papers, Inc.
Houston, TX

"He didn't climb the corporate ladder; he scaled the wall." This was said recently of Michael G. Moncrief at Century Papers, Inc. Newly appointed Vice President/Administration, Moncrief has come up through the ranks and now handles legal and compliance matters, union contracts, real estate, insurance, pension plan and special projects.

"I didn't follow a traditional career path," Moncrief observes. "I created my niche by doing things nobody else wanted to do." His willingness to do what needed to be done, and doing it with dedication and attention to detail, has won for him terms such as cooperative, adaptable, reliable and team player.

Starting in the warehouse 19 years ago, Moncrief progressed through customer service, outside sales and inventory control to become head of the payables department. His field management career led from cost control, data processing, insurance and credit to Operations Manager of Century's largest division. From there he moved to the corporate office where his broad understanding of the business of the company has allowed him to make invaluable contributions. In 1984, Moncrief was appointed Assistant Vice President and Assistant Secretary of the corporation. This year, his dedication was rewarded by appointment as a full Vice President.

Moncrief credits his success to two factors. "First, I always ask, 'What is best for Century Papers?' That is the basis for my decisions." The second factor is the "Things to Do" list which is updated weekly. Things he must do are prioritized in each of his areas of responsibility; he lives by this list. As fellow workers note, some of Moncrief's success has to be attributed to his competitive spirit. "I hate to lose," Moncrief admits.

Century's President, Herschel Maltz, affirms, "Mike has incredible integrity. He has grown from an inexperienced kid to a mature, responsible professional businessman. Always well prepared, he listens well and learns fast. He sees the big picture and gets the job done with a sense of urgency. Mike doesn't bring problems to me; he brings solutions. He updates me on situations and tells me what actions he has taken or plans to take. That makes my job a lot easier."

The Sales Professional 1

A special section dedicated to those who sell or manage the sales function

If You Don't Ask, You Won't Get: It's Simple!

There are many salespeople who are working very hard—but they aren't as successful as they should (or could) be. They may know their product(s) inside out, they may be getting in to see plenty of potential customers, they may explain what their product can do and why the customer needs it with the best of them—and yet they still leave a lot of offices with nothing to show for their pains.

Many times, when all else is done well, but orders are still not being written, the problem is a simple failure to do one crucial thing: ask for the order! No matter how good you are at whetting your customers' desire to buy your product, if you don't actually ask for the order, many people will never make the decision to buy. (Of course, some people will buy from you in spite of yourself, but the idea is to make more sales, not just coast along.)

Every sales training program emphasizes the need to *close* the sale. Usually, the close is used fairly early to draw out objections which can then be overcome and the close tried again (and again, etc.) The close just means asking for the order, so why do salespeople sometimes find it hard to do it?

There are probably as many different reasons as there are salespeople, but often we carry over into our sales activities the feelings we have when someone is trying to sell something to *us*. Most of us tend to resent the type of pressure known as the "hard sell," and we try to avoid using that method in our own selling approach. This sometimes leads to difficulties in reaching the point at which we have to ask our customer to decide to spend some money.

If we just keep on saying how good our product is, maybe the customer will volunteer to buy it without our ever having to do the asking ourselves. And sometimes that *does* happen—but not often enough to rely on it as the basis for our livelihood.

What the salesperson must keep in mind is one simple fact: the customer knows that we are there to sell him/her something and *expects* to be asked to buy. If we know our product and have established a degree of rapport with the customer, the chances are fairly good that a sale can be made (or that we have established the groundwork for a sale on our next visit).

Asking for the order should be a normal culmination of our sales visit. Take out your order book, but *do not* ask "Do you want to buy some?" Instead, assume that the customer is going to get something and present him/her with a simple decision ("Would you prefer all white or shall we mix the colors?" or "Would five cartons of the standard size and three cartons of the large, economy size be enough or would you prefer five cartons of each size?"). In effect, you are making the buying decision for the customer, but offering them a choice permits them to still feel as if they are in control of the situation. So ask—but do it the right way and watch your sales figures take off.■

Sales Briefs

JB PAPERS has announced three additions to its sales and customer service staffs. Ms. Jill Levy, a 12 year veteran of the paper and printing industry, will be servicing commercial printers, envelope and direct mail houses. Ms. Marie Quaglia has joined the customer service department and Mr. John McCabe has brought his 14 years of experience to the New York sales staff.

BROWN-BRIDGE/KIMBERLY-CLARK has introduced a new pressure sensitive label stock called 62 lb. Smudgeproof Latex. The latex-saturated stock provides strength, flexibility, durability and conformability, according to the manufacturer. This makes it an ideal choice for such jobs as labeling glass containers and vials, as well as corrugated boxes. The labels can be printed on web presses, impact computer printers and typewriters, and will take most common pen and marker inks. For more information, call 800-543-9452 outside of Ohio or 800-537-0716 in Ohio.

WAUSAU COATED PRODUCTS has made available to paper distributors a new line, called PrintPak, of shrink-wrapped packages of 100 8-1/2" x 11" pressure sensitive sheets. The sheets, designed for quick printers, paper stores and in-plant printing operations, come in a variety of face papers including Matte Litho, Semi-Gloss, Uncoated Offset, several Fluorescents and Matte and Gloss Gold and Silver Foil. For more information, call Wausau Coated Sales at 1-800-835-7117.

SCOTT PAPER COMPANY's Commercial Products Division is now producing Scottcloth™ Heavy Duty Wipers. For the first time, the strength of cloth shop towels and the convenience of disposable wipers has been combined in Scottcloth, which is made from a combination of cellulose and textile fibers. The resulting wipers are strong enough for heavy industrial tasks but are soft enough for personal use. They can be used, wrung out, and reused several times before being discarded.

The new wipers are available in three

sizes and in three different packages. To learn more, write to Scottcloth Heavy Duty Wipers, Scott Paper Company, P.O. Box 830, Dept. JS-46, Devon, PA 19333, or call 1-800-4-SCOTT-1.

LPS INDUSTRIES INC. of Newark, NJ, has introduced Speedy-Pax, a new lightweight, heavy duty shipping and mailing envelope. The envelope can be used to ship papers and documents, soft goods or any merchandise requiring strong, opaque, security type packaging. Speedy-Pax comes with a self-sealing hot melt adhesive closure, or as a heat-sealable pouch for security and pilfer resistance. The envelopes can be printed in four colors, and their light weight helps save postage and shipping costs. For samples and more information, call LPS Industries at 1-800-225-1244.

NEENAH PAPER has appointed Williamhouse Sales Corporation as an official converter of Neenah's full line of bond, writing and text papers. Williamhouse, with its eight locations, will enable Neenah to offer its customers easy accessibility to matching envelopes for a complete line of correspondence and text grades.

VEITSILUOTO OY, a Finnish paper maker, has produced a new coated paper, LumiBlade, with optimized opacity and sheen. The paper is made from pulp derived from trees that grow very slowly in the northern part of Finland. This slow growth results in exceptionally long and thin fibers, resulting in an even quality pulp, which, in turn, helps produce a paper with very little variation in technical quality. Ninety percent of the annual production of 180,000 tons is exported. Further information can be obtained from The Madden Corporation, 9 Rockefeller Plaza, New York, NY 10020. Their telephone number is 212-246-9373.

ROLL PRODUCTS DIVISION of MACtac is producing an optically clear pressure sensitive film called Medalist® OptiClear™. Designed for applications requiring complete transparency, the film has uses in hospitals and laboratories where it wraps well on syringes, ampules and vials, giving non-distorted identification of contents. It can also be used for health/beauty aid and pharmaceutical labeling. For more information on Medalist OptiClear and their other products, write the Roll Products Division of MACtac, 4560 Darrow Road, Stow, OH 44224 or call 216-688-1111.

INTERNATIONAL PAPER COMPANY has introduced a new #4 coated web offset paper called Liberty™ Hi-Brite. The new paper is said to combine high brightness and high gloss for a free sheet look with the economy of groundwood paper. Uses for Hi-Brite include catalogs, magazines and inserts requiring heavy ink coverage. The paper is available in 40# through 70# basis weights, and a printed sample in 60# basis weight can be obtained from International Paper Company, 77 West 45th Street, Room 32-45, New York, NY 10036, or call 212-536-6327.■

Paul E. Newcomer, president, Quaker City Paper & Chemical Company, 300 N. Sherman Street, York, PA, recently announced the winners of their "Salesperson of the Year" Contest. Standing left to right are: Larry Wells, sixth place winner; Kim Garrett, fifth place; Mike Ketterman, fourth place; Linda Benyak, third place; Charlene Kelley, second place; Frank Veri, first place winner; Mr. Newcomer; Jeff Feder, vice prsident of sales; and Alex Monteith, executive vice president. The 20-person sales force were awarded monthly points for sales, sales increases, performances of collections and performance in sales promotions.■

Are You Your Own Stumbling Block to Success?

By the time we are adults and are ready to tackle the world we have spent most of our lives up to that point in acquiring a particular way of doing things—or, perhaps, of avoiding doing things. Whether we are born with or without various capabilities or talents is beyond our control. We must make do with what we have, and, assuming a normal level of intelligence, we find jobs and make a living at them.

During the years when we are getting our start toward responsible adulthood, we acquire not only knowledge but also develop an individual style of coping with whatever we are asked to do. This style can literally make us or break us when we finally get going in the adult world. Our way of responding to the demands placed on us shows up early. Teachers quickly learn who does assigned work well and who prefers to ↗

let it slide. As these attitudes toward our responsibilities become ingrained, we are creating the conditions that will affect our adult lives.

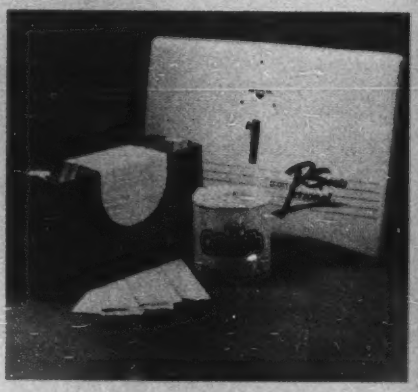
If we view life as a series of opportunities and challenges that we are anxious to meet head on, we will probably be successful in whatever we tackle. If work is something we want to avoid doing at all costs, we are sabotaging ourselves. Fortunately, while we can't change our genes, we *can* change our attitudes and ways of doing things. As a sales representative, if you find yourself putting off things that should be done ASAP, or forgetting to make call backs when promised, or any of those things that mean wasted time and lost opportunities, you shouldn't assume that you can't improve.

Improvement must be preceded by an acknowledgement to yourself that you can do better than you are doing at present. If you refuse to admit to a problem, you cannot solve the problem. Once you agree that things could be better, make yourself aware of how you are actually spending your time each day. Do you look for trivial things to do so that you don't have to do the big jobs? (Are you avoiding the big jobs because you are afraid you might not do them well?) Do things not get done because you "forget" about them?

Whatever it is that reduces your level of productivity, by analyzing what you are doing (or not doing), you are taking the first step toward improving the situation. Then, devise a plan to help yourself change your habits. It always seems easier to develop a bad habit than a good one, and we all know how hard it can be to break a bad habit, but it can be done if we really want to do it. And don't forget that there are people around who can help us, either by acting as role models or by making suggestions to us about how to do our jobs better. So, if deep down you are not completely satisfied with how you are doing (and how many of us really are?), don't wait for next New Year's resolution time—start now and maybe you won't have to make any resolutions next January.■

Image is Important...Even in the Bathroom

According to Suzanne Sears, product manager for Scott Paper Company's Away-From-Home Products Division, "restrooms, along with lobbies and elevators, are one of the major image building areas in any office building." By using high quality paper products (hand towels, toilet tissue and toilet seat covers), management is able to enhance their building's image at little additional cost, if any.



Naturally, Ms. Sears suggests that building managers consider Scott's products, especially their new premium product bundle: Brand 150 C-Fold hand towels, Cottonelle® toilet tissue and P.S. Personal Seats™ disposable toilet seat covers. For more information, write to: Image Enhancing Amenities, Scott Paper Company, Dept. JS-44, P.O. Box 830, Devon, PA 19333, or call 1-800-4-SCOTT-1.■

The Start of a Beautiful Relationship—Or...

It is no secret that today's business world is very competitive (when wasn't it?), so a sales representative who has nailed down an order with a new customer certainly deserves a lot of credit. But whether or not that new customer will become a regular customer (the best kind) depends to a considerable extent on what kind of handling is given to that first order. Sooner or later, there is going to be some kind of a foulup with somebody's order. If it happens after a long-term good relationship, it will probably be excused (though it isn't a good idea to make it a habit). If it happens on a *first* order, it could be fatal to the chances of ever getting a second order.

The first time a new customer buys from your company, a major test situation is being created. If all goes well—or even better than well—the customer gains confidence in your ability to deliver as promised, and you can count on future orders following. You are really an unknown quantity as you get to know each other, but remember that you need the customer more than the customer needs you. There are more than enough competitors out there who would be only too happy to pick up the pieces if you stumble and foul up that first delivery. Of course, every order deserves the best handling it can get, but *everybody* concerned should be aware that a *first order* is being processed. This is no time for a lapse in communications to occur.■

Cover Stock Promotion Piece Available

The Archambault Group of Hartford, CT has produced a new promotional piece for Linweave Fine Papers that highlights Linweave's Quality Cover. Designed to demonstrate the cover stock's versatility, several different printing techniques ranging from embossing to foil stamping to four-color process were used. Linweave did a special mailing of the piece to graphic designers and ad agencies across the country in hopes not only of providing a source of inspiration for designers, but to boost the sales of their franchised merchants as well. If you would like to get a copy of the Quality Cover promotional piece, write: Larry Gavens, Nat'l. Sales Mgr., Linweave Fine Papers, Inc., 10 Linweave Drive, Holyoke, MA 01040 or call 413-536-6410.■

Water Broom is Heavy Duty Cleaner

People who are faced with the problem of cleaning large areas such as service station driveways and service bays, large commercial kitchens, meat and poultry packing areas, tennis courts, garages, dumpster pads, parking areas, etc., may find the answer to their problem in the C-4 American Water Broom™.

Using regular tap water, and attached to a standard hose, the Water Broom produces a controlled blast of high pressure water three feet wide and just inches from the surface. It is built of heavy gauge steel and brass and is practically maintenance free because it has almost no moving parts. The Water Broom manages to remove small abrasive particles that brooms and vacuums often miss.

The American Water Broom company also produces medium duty steel and aluminum Water Brooms for commercial use, as well as a complete line of models for the homeowner in metal and plastic. For more information, call or write: American Water Broom, 3565 McCall Place, Atlanta, GA 30340, telephone 1-800-241-6565 (in Georgia, 404-451-2000).■

Eastern Paper Company Adopts New Motto

Inspired by Bruce Merrifield's presentation, "Understanding the Dynamics of Distribution", the employees of Eastern Paper Company, Hartford, CT, decided to adopt some of his philosophies. Tied in with a newly established "Employee of the Month Award," all of Eastern's employees are now wearing buttons proclaiming (in abbreviated form) "DIRTFT," the company's new motto. Order forms and pic-tickets are stamped with "DIRTFT," as well, and the new motto has helped generate enthusiasm, raised morale and enhanced productivity. The first two winners of the Employee of the Month Award were Dave Schroeder, customer service representative, and Kate Sharp, computer operations.

What did you say? Oh, you want to know what "DIRTFT" means. It means "Do It Right the First Time," a good motto for *all* of us to adopt!

(Bruce Merrifield's program, which comes on two video tapes along with workbooks and a manual, can be obtained from the NPTA for $375.)■

Professional Selling

NPTA offers sales training through its "PSS" approach. Thousands have increased their profits. Contact: Bruce Linden at NPTA: 516-829-3070.

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*Single or double occupancy, based on space availability. Offer good for September 18-22, 1987 only. Reservations by using the 1987 NPTA Convention Housing Registration Form are recommended.

Mid-Year Conference A Success for YEF

The Young Executives Forum (YEF) has grown to be an important part of NPTA's on-going membership service package.

Forty paper distributor executives met in Florida from March 19th to March 22nd at the Third Annual Mid-Year Conference sponsored by the Young Executives Forum (YEF) of the NPTA.

This year's conference, held at the Grenelefe Resort near Orlando, was again a great success. The educational programs offered the attendees opportunities to improve their own management skills and ways to strengthen the paper distributors they represented.

Friday's program was presented by Art Turock whose timely subject was "Managing for Exceptional Performance." This presentation gave us insights into ways of gaining a commitment to excellence from our employees and also made us aware of the leadership actions that elicit this commitment. This results-oriented program is well worth implementing in our own companies.

On Saturday, we were fortunate to have as our program leader, D. Bruce Merrifield, whose topic was "Using Financial Numbers for Employee Motivation and Results." I might add that Merrifield was invited back this year by popular demand to carry on with more information from our conference last year in Arizona. Space does not permit me to give a full report on this presentation, but I highly recommend that you and your company invest in the video tape program, *Understanding the Dynamics of Distribution*, produced for NPTA by D. Bruce Merrifield.

On Sunday we had an interesting discussion of the interaction of the paper merchant and the mill supplier. This program was well thought out and was coordinated by David Belew, president of Beckett Paper Company, representing the printing paper supplier, and Lyle McGlothlen, product manager of towels and tissue, James River Corporation. Discussion centered around past, present and future trends that affect merchants and mills.

Probably one of the greatest benefits of attending this conference was the opportunity to renew friendships with other members of the YEF. The interaction and friendships that have developed through participation in YEF functions at both the Mid Year Conference and the meetings held for YEF members at NPTA Conventions have benefits that will serve our industry for years to come. What I'm speaking of is the sharing of ideas and discussion of common problems and goals in our business. The opportunity to "network" with our peers in our own industry has benefits that can't be measured.

To those of you that couldn't attend, you've missed a great conference and to those of you that haven't yet joined the YEF, what are you waiting for? If you are a young executive in the paper distribution business under age 45, or know of a candidate for membership, this organization is custom built for you.

See you at the NPTA Convention in Atlanta in September for the next great YEF function.

This report on the YEF Mid-Year Conference was provided by Dennis C. Anderson, vice president sales, Nogg Brothers Paper Company, Omaha, NE.

Exploring a Career in Selling Paper Products

The author's purpose in writing this article is to tell those who are considering a career in selling paper what to expect. This story has never been told in the paper distribution industry except in one-on-one situations. The article should be used in reprint fashion at high school career days, for college recruitment and generally at other times when hiring. It is probably the closest thing this industry has to a job description for people who sell paper and allied products.

By Sam Bledsoe, Mead Merchants, Knoxville, TN

It is hard to imagine any organized commercial, industrial, or social activity which does not use paper in some way. In fact, according to the American Paper Institute, Americans used 45 million tons of paper, or an average of 375 pounds per person, in 1985. Even so, the paper industry is not well known to those who work outside it.

Paper mills, converters and paper merchants all play an important role in the supply side of this interesting and vital industry which employs more than 250,000 men and women. In 1985, approximately 650 U.S. paper mills produced over 35 million tons of printing, writing and industrial papers. Industrial papers, which are often referred to as "coarse" papers, include paper towels, toilet tissue, industrial wipes, kraft paper, chipboard and paper tapes. The converter purchases paper from the mill and converts it into various value-added products such as envelopes, tapes, pressure-sensitive label stock and continuous forms.

The paper merchant is a wholesale distributor of printing or industrial papers and the paper sales person is a key figure in the distribution process. Selling paper is a challenging but rewarding career with an excellent income potential. This article is for anyone who would like to learn about a career in paper sales. It provides a broad overview of paper sales and specific answers to such questions as, "What is selling paper like?" "How would I be paid?" "How much money could I earn?" and "To whom would I sell my product?" Where there are differences between selling printing paper and industrial paper, they will be pointed out.

The Paper Merchant

Paper merchants serve as middlemen between paper mills, and sometimes converters, and the printer or other end-user. Roughly half of all the printing paper produced in this country is sold through paper merchants. The balance is primarily bought direct from the mill by large users such as magazine and newspaper publishers. The merchant buys from the mill in truckload quantities, where possible, so as to get the best price and the lowest freight costs. Mills will usually ship a truckload of paper, freight-paid, to merchants within a few hundred miles of the mill. Since trucklines charge less per hundred pounds of weight as the weight of shipments increases, significant savings can be achieved by shipping in truckload quantities. In some areas, mills cooperate in allowing different merchants to combine their orders on a regular scheduled delivery by a "pool" truck to reduce shipping costs.

A mill does not have the resources to handle the small orders from commercial and in-plant printers, for example, or to represent itself in all the local markets. The mill depends on the merchant for these and other important services such as providing inventory, warehouse space, credit, advice in marketing and paper selection, special sizes, free samples, timely delivery and assistance in resolving paper claims or other problems with the mill.

The paper merchant warehouses many different kinds of paper in appropriate quantities. Since there are so many different kinds of paper, it would be impossible for the printer to stock even a fraction of the papers he might need.

Paper merchants basically fall into one of three categories: fine (printing) paper only (about 25%); industrial paper only (about 30%), or dual houses (about 45%) which sell both fine and industrial papers. There are currently about 1,500 fine paper merchants and 4,000 industrial paper merchants in the U.S. Most paper merchants are relatively small, privately-owned companies, but there are also some giants who have 50 or more branches across the country.

Quick printers have exploded in numbers and share of market until, in 1985, there were approximately 18,000 quick printers in the U.S.

The Market

Fine paper merchant customers are generally owners or purchasing agents of small to large commercial printing companies and supervisors or purchasing agents for book publishers, quick copy shops, business forms printers, in-plant printshops of large corporations and government agencies such as city, county, state and federal governments. The largest printers, such as newspaper publishers, who purchase printing papers in truckload quantities (40,000 pounds or more), generally buy direct from the mill.

Industrial paper merchant customers include food service companies, fast food outlets, health care institutions, manufacturers and public institutions, with manufacturers providing the largest customer base by far.

Commercial Printers

Commercial printers are the single largest group of customers for fine paper merchants. In 1985, more than 32,000 commercial printers did approximately $80 billion worth of printing, making commercial printing one of our country's most vigorous industries. The industry is comprised of thousands of modest sized firms with only a handful having even a one-percent share of the total. Commercial printers range from the small one-or two-man, family-owned print shop with one or two duplicators to the giant web printer, like R.H. Donnelly.

Commercial printers usually expect two-or three-day delivery and substantial inventories of printing papers. Commercial printers are under intense competitive pressures and often operate under tight deadlines. Printing is a highly technical and complicated process which requires the cooperation, at one time or another, of the printing sales person, specifier, pre-press department, graphics department, production supervisor, pressman, purchasing agent, ink supplier and paper merchant sales rep. Too often the printer's customer will spend months designing an extensive promotional piece, then bring it to the printer and expect him to deliver a top-quality finished product in a week or two, if the printer's estimate is the lowest. The printer then, to meet the customer's deadline, will have to disrupt his production schedule and juggle other jobs around that were already scheduled. The paper merchant consequently will have to supply the paper on short notice, requiring close coordination between the mill and the truckline.

If the paper chosen for the job is not stocked or readily available, the rep will have to work even harder to locate the paper and get it to the printer on time. It may have to be shipped direct from the mill to the printer, and the freight costs may cause a cost over-run. Therefore, the merchant sales rep should work closely with the printer or specifier to avoid ordering a paper which is not readily available.

More of the Market

In-plant printers work mostly in the printing departments of large industrial corporations, federal agencies, city and state governments, governmennt contractors, universities, school systems and utilities. Public agencies will normally require that paper purchases for more than a few hundred dollars be made through formal, sealed bids; consequently, pricing on their in-plant business is very competitive and profit margins are low. In-plant printers are usually less demanding to work with than commercial printers, however, because they can usually schedule their jobs well in advance since their only "customer" is their own company and many of their jobs are repeats. Nor do they have to compete in the marketplace for business where customers may demand quick turnaround times.

Book, catalog and magazine publishing have skyrocketed in recent years and today, Americans choose from some 11,000 magazine titles and receive more than 10 billion catalogs a year. Additionally, advertising supplements inserted into daily and weekly newspapers have now reached 50 billion a year! The larger printers and publishers usually buy most of their paper in roll form direct from the mill but the smaller printers who do this kind of printing usually buy part of their paper from the merchant and can be excellent customers.

Quick-printers have exploded in numbers and share of the market until, in 1985, there were approximately 18,000 quick-printers in the U.S. Quick-printers have evolved into far more than just copy shops. The variety of papers they use and services they offer have mushroomed in the last ten years. Because they buy fairly large quantities of the "commodity" grades, pricing for this business is very competitive and profit margins are low but sales to them by merchants are substantial.

Forms printing has also grown markedly in the last few years and, although most of their web grades (rolls rather than sheets) are bought direct from the mill, they may place sizable orders with the merchant.

The Merchant Sales Person

The paper merchant sales person, or "rep," should be outgoing, assertive and articulate; well-organized with good social skills, have a professional appearance and be a self-starter. A college degree is becoming more the rule than the exception, with a bachelor's degree in marketing being especially helpful. Previous work experience, particularly sales experience, or training in the graphic arts, printing, radio, TV or agency advertising fields, is a definite plus.

The average age of sales reps is about 39, and an age of 25 to 35 years is common for a new rep. Among sales reps with at least two years' experience, the turnover rate is low. According to the National Paper Trade Association, printing paper reps average about 16 years in the industry, while industrial paper reps had been selling paper for an average of just over 12 years and, dual house reps had just over 13 years in the industry. Today, only about five percent of sales reps are female but opportunitites for women are generally increasing.

On the Job

The rep enjoys a prestigious career which requires a strong commitment to hard work and considerable study during the early years. The fine paper rep will typically service a clientele of 40 to 80 clients while the industrial paper rep will usually service from 60 to 100 accounts. These numbers will vary greatly, however, depending on the distribution of accounts by size in the rep's territory. The larger the accounts the rep has, the smaller will be the total number serviced. The rep will see all of his accounts at least monthly and the key accounts will be seen at least every week. The industrial rep generally has more accounts but does not have to call on them as frequently as the fine paper rep.

There is usually more emphasis on account development than on prospecting by the fine paper rep since the market is so well-defined. The industrial rep will have the opportunity and need to prospect more, however, since there is a broader range of customers who can be sold.

The sales rep works Monday through Friday, usually from 8:00 am to 5:00 pm, although during the first few years, one can expect to work later in the office two or three days a week at least, studying and working on quotes. From about 9:00 until about 4:00, the rep will be calling on printers and/or purchasing agents.

Above and beyond delivery of orders and technical advice on new items, paper reps offer service as their primary product. The fine paper rep will often be asked to quote the printer a price and ready date for the paper he needs for a job he is quoting. The rep, or someone in customer service, should respond to the printer as soon as possible with the requested information. Paper merchant sales is high pressure because printers are always "under the gun." The rep has to worry about getting the paper to the printer when he needs it—often on short notice. The printer, on the other hand, has to deal with problems in scheduling, pre-press, production, maintenance, credit, and customer relations. The industrial rep, needless to say, usually does not have to work under such strict deadlines.

Credit problems will vary somewhat with the state of the economy, but credit is always an important part of the rep's job. The rep will usually receive a monthly aging report which gives the status of each account. The rep must follow up on those accounts that are slow in paying and handle this delicate area tactfully. If handled carelessly, the customer may be alienated and the account may be lost for good.

The rep will need to be sure that the printer's samples, or swatches, are complete and up-to-date. The rep must be knowledgeable about the characteristics, pricing, uses and availability of many different grades of paper—including not only those grades which he sells but those of his competition as well. Lunches will often be spent with clients. This is low-key relationship selling. The rep usually has little, if any, overnight travel as most territories are local. The rep will need to check in with the office several times during the day. A beeper can be a valuable time saver and help the rep to be more responsive and give better service to his customers.

Getting Paid

Generally, the sales trainee receives an annual salary of $12,000 to $18,000 during the first year, depending on his or her experience. After the rep completes his training, he usually works on a straight commission, receiving from 25% to 30% of the *gross trading margin* on the paper sold. The gross trading margin, or GTM, refers to the "profit margin" on which sales commissions are paid or, to put it another way, the difference between the cost of the paper and the selling price. About 70% of merchant sales people are on straight commission pay plans, about 20% are salaried and about 10% are on a combination salary-commission

The paper merchant sales rep should be outgoing, assertive and articulate; well-organized with good social skills, have a professional appearance and be a self-starter.

Most paper merchants use modern computer systems for inventory control, order processing, market analysis, etc.

plan. Since it costs between $25 and $100 to process an order, most merchants have a minimum order size of from $25 to $100, below which no commission is paid. The merchant will also typically add a "load" of between 5% and 8% to help cover the company's costs of inventory, delivery, credit, etc.

For example, if a sales rep were to sell 10,000 sheets of a certain printing paper for $110 per thousand sheets, the amount of the sale would be $1,100. The cost of the paper might typically be about $90/M, including a 6% load. Thus, the gross trading margin would be $200 and, if the commission rate is 27%, the commission earned on the sale would be $54.

According to the National Paper Trade Association's 1986 Performance Analysis Report, printing paper outside sales reps averaged total compensation (salary, bonus, commission and travel expense) of $47,750. Sales service personnel (inside sales people) averaged $20,280.

Industrial paper outside sales reps earned $38,640 on average with inside sales people making $16,350.

Dual merchant outside sales reps earned an average of $43,370. Sales service people made $18,940.

The averages do not tell the whole story, however. It is not uncommon for people who sell paper and allied products to make over $100,000 per year with a few earning in excess of a half-million dollars.

Sales Support

Paper merchants generally provide a high level of sales support, including attractive office facilities and secretarial support. The larger merchants usually provide pension plans, and some provide stock purchase plans as well for retirement. Fringe benefits usually include excellent life insurance and medical plans with at least half of the cost of benefits being paid for by the merchant company.

Most paper merchants use modern computer systems for inventory control, order processing, market analysis, etc. Most systems also provide the rep with timely sales reports that break down sales by account, in terms of sales volume, product line, and profit (gross trading margin). In addition, monthly aging reports which show amounts owed by each account in 30–day intervals are also provided.

Well-trained customer service personnel are critical to the effective support of the sales effort. In recent years, more and more merchants have begun to provide their own comprehensive sample books showing only the papers which the merchant stocks. These are valuable tools for the printer in eliminating uncertainty about which papers are readily available.

"Specifiers," such as advertising agencies, graphic designers, artists and public relations firms, do not purchase printing papers themselves, but they do "spec" (specify), or influence the purchase of the grades, colors, textures and weights of paper to be purchased by their clients. An experienced spec sales department, especially in the larger metropolitan areas, can be very productive.

Each paper merchant will usually represent 20 to 40 paper mills, each of which generally supplies promotional materials and trained mill reps to work with and assist in training the merchant's sales people. Sales aids and promotional materials such as printed samples and swatchbooks are also readily available from the mills, generally at no cost to the rep. Some merchants and many mills advertise in trade magazines such as *Southern Graphics, American Printer,* and *Printing* and offer sales promotions and contests.

Mills employ sales representatives, referred to as "mill reps," who call on the merchant and can be a valuable source of sales support. Mill reps provide a useful source of information on new products, changes in product lines, production capabilities, etc. Mill reps also provide a valuable channel of communications between the merchant and mill for ideas, questions and complaints. Mill reps can assist in product training, handling claims and making sales calls. Most are glad to assist in making sales calls.

Training

Many merchant sales people begin their training by working for three months to a year in the warehouse, the sample room and then in customer service before going into outside sales.

The trainee may complete a merchant-sponsored correspondence-type training course and attend a one-or two-week company training school. Trips to mills which the merchant represents may also be arranged and there are several schools that offer courses in paper making or sales. Regularly scheduled sales meetings are usually held, at least monthly, with training by management and mill reps in product knowledge, sales skills and motivational subjects. The trainee works closely with the sales manager and is usually assigned 40 to 60 accounts to service.

Sam Bledsoe, sales representative, Mead Merchants, Knoxville, TN

Career Outlook

The career outlook in paper sales is excellent with good prospects for income growth, although the numbers of sales reps will probably not increase significantly. Competition for available sales positions will continue to be strong. Although as many women as men currently work in customer service, not many women work in outside sales, but their numbers are steadily increasing just as more women are entering business and management positions. About 5% of today's fine paper or dual-house sales reps are female and only 3% or 4% sell for industrial merchants.

For More Info

Most of the larger corporations which own paper mills distribute very well-designed and informative annual reports. These can be excellent sources of additional information about the paper industry and are usually available from the paper merchant.

The National Paper Trade Association provides training and educational materials to those in the industry. Contact them, as well, for more information.

1995 JOB OUTLOOK

Based on U.S. Department of Labor Statistics Data

Occupation	Estimated Employment 1985	Job Outlook To 1995	Entry Requirements and Prospects
Manufacturers' Sales Workers	414,000	Up 16% at a slower than average rate	College degree is increasingly desirable, but many employers hire those with sales experience or special knowledge of the product line. Manufacturers of technical products usually require a college degree in science or engineering or other specialized technical degrees. Over half of the entrants are new college grads. Due to experience requirements, they tend to be older. Half have some college, and many have a degree.
Technical and Professional Communicat		Up * at an average rate (*figure not available)	Growth in the area will come from the increasing need to communicate scientific and technical concepts within complex organizations and to the general population. A bachelor's degree in English, communications, or a related area is required for most jobs. Specialization in a specific technical field will be an asset.
Electronic Publishing and Printing Occupations	1,300,000	Up * at an average rate (*figure not available)	Developments in the industry due to technological advances now require fewer work hours but higher skill levels. A growth area is the application of science, engineering, and technology in the graphic arts area. Supervisory and management positions require a knowledge of "Why" rather than just "How to." A background in mathematics, chemistry, and physics as well as practical experience in some technical phase of publishing is generally required for entry. The preparation required for supervisory and management positions is usually found in a two- or four-year college program.
Buyers, Retail and Wholesale Trade	256,000	Up 29% at an average rate	Familiarity with merchandise/ wholesaling and retailing generally required. Preference for applicants with college degrees in marketing or purchasing. Not an entry-level job as experience is required.
Purchasing Agents	191,000	Up 27% at an average rate	No universal entry requirements. Small companies tend to promote purchasing clerks or hire grads of associate degree programs in purchasing while larger ones require a college degree and prefer a master's in business administration or management. Over half of all entrants transfer from other areas or have specialized knowledge. Many are older.

Source: U.S. Government/Rochester Institute of Technology

Computer Program Helps Pinpoint Problems

Arthur Andersen & Co. developed the Higher Profits From Day One: A Profit Improvement System for Wholesaler Distributors in conjunction with the National Association of Wholesaler-Distributors' Distribution Research & Education Foundation (DREF). Below, the program's two authors, Steven M. Samek and Vincent R. Sparrow, speak with Management News about the Higher Profits system.

Steven M. Samek

Vincent R. Sparrow

MN: *Describve the* Higher Profits From Day One *system for our readers.*

AA: The *Higher Profits From Day One* system is a comprehensive, yet practical method of quickly identifying opportunities for improving a company's operations and profitability.

In the first phase of a *Higher Profits* review, the company uses several simple tools to quickly identify potential problems. This phase is called the productivity examination. At the conclusion of this phase, management determines which opportunities have the highest likelihood of providing significant paybacks to the company. The second phase really splits these opportunities into two separate groups. The first group, which we call immediate opportunities, are the easier to analyze and solve problems. Some issues, once identified, adapt themselves easily to quick fixes.

The second type of potential opportunity takes more time to analyze what is wrong and what can be done to fix it. These so-called complex issues are just that. While such changes may indeed be required, the investment involved requires greater study.

Higher Profits From Day One describes the analytical techniques that can be used to study both the quick and the more complex issues.

The final phase of a *Higher Profits* study is to make required changes in the company's internal reporting structure. Unfortunately, once a study is over, the focus on productivity begins to fade. If the company's internal reporting remains unchanged, sooner or later (and probably sooner!) the gains from the *Higher Profits* study will begin to evaporate. Monitoring requires that you change the company's reporting to highlight those areas identified as problems.

MN: *Why is the* Higher Profits *system extremely valuable in today's business environment?*

AA: Let's face it, business today is more competitive than it was five years ago. This is especially true of the wholesale distribution industry, where pressure is not only with your competitors but comes from your vendors and customers as well. Alternative methods of getting products to market, including warehouse clubs, direct sales from manufacturers and mail order companies are forcing the industry to re-evaluate its position and refocus on productivity. General Motors, Ford and Chrysler aren't the only ones having to re-evaluate the way they conduct their business.

MN: *Who gets involved in examining the company's productivity?*

AA: In general, the top managers of the organization are involved. They may not be involved on a day-to-day basis, but they are involved in terms of reviewing the results of the productivity examination and setting the direction for the work to come after that. In addition, they are also intimately involved in deciding what changes need to be made in the way the company does business, its policies, its strategic direction, etc. Other individuals who will be involved in a *Higher Profits* study would include middle level managers. These individuals would normally do the detailed analysis required and gather the information for top management. Normally, one individual would have responsibility for project coordination. The difficulties involved with coordinating schedules for meetings, gathering support and pulling all the information together for management's review is a significant task.

One of the significant advantages involved in this kind of study is the almost automatic communication between top managers and others in the organization. This communication may open the eyes of those down the line as to what the company's direction is; what top management's perceptions and goals are. In addition, exposure to the analytical requirements of this type of work and to top man-

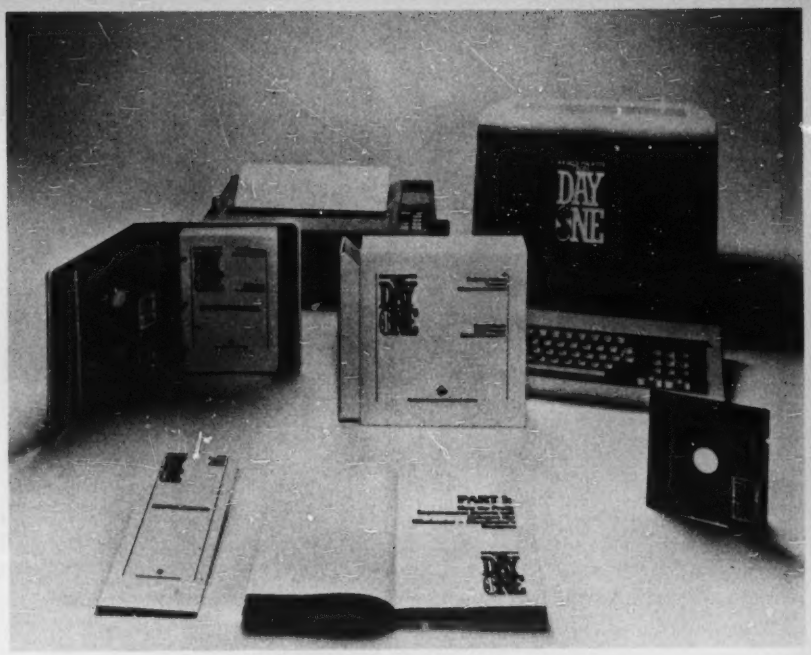
agement are a good training device for younger managers.

MN: *What are some of the key components of the comprehensive analysis of the company?*
AA: The three major tools used in the productivity examination are the key to the identification of potential problems within the organization. These key tools are the Executive Scorecard, the Productivity Screen Questionnaire and Key Factor/Ratio Analysis. The Executive Scorecard is simply a pocket-size guide for the CEO to use in walking around his business. Frequently, top managers get so busy in dealing with key customers and vendors and in attending to the everyday requirements of the business that they simply lose track of what may be going on in the detailed work. The Scorecard forces the executive to really see what's there—to see the trees instead of the forest. You use it to simply walk around your business and see what's going on.

The Productivity Screen Questionnaire is kind of a mini-Delphi study. It's used to gather the opinions of managers within the organization as far as what opportunities may exist in the organization and how their departments and others are performing.

The third tool used in the productivity examination is Key Factor/Ratio Analysis. Put simply, what we do is compute a number of detailed ratios to highlight operating problems. The comparison of a company's operating ratios over the course of, say, two or three years, not only highlights problems in the current year but illuminates negative trends. In addition, we also normally like to compare a company's ratios with comparable measures for its own commodity line. This can highlight something that the industry is doing but you're not.

MN: *How does the software template enhance the results of the analysis?*
AA: The template, called the *Higher Profits Template* or HPT, is a 1-2-3 spreadsheet that calculates 83 different ratios for a company. The ratios are calculated over a three year period and are compared to, if available, two years of industry data. You don't have to calculate the ratios yourself, the template does that. All you have to do is enter the indicated data. The template not only calculates these ratios, but flags those areas that may need attention. The template, by the way, produces its reports in two formats—in a straight report format and in graphs.



Another special feature of the template is the QUICKFIND feature. QUICKFIND basically describes all of the ratios and provides a diagnostic tool, if you will, to what the ratios mean. That is, the QUICKFIND not only explains how each of the ratios is calculated, but what they mean and what problems may be at the root cause of a declining or bad ratio. Finally, the QUICKFIND screen will reference the analytical technique described in *Higher Profits* that will allow you to analyze what the problem really is. QUICKFIND is really a resource material. Not everyone will have to print out or even view the QUICKFIND screens for each ratio. It is available and may be especially useful for younger managers involved in the project. To give you an idea of the scope and depth of the QUICKFIND screens, let's just say that if we had printed out all the QUICKFIND screens and included them in the book, we would have added another 300 or 400 pages to the book.

MN: *What exactly does "customizing" the* Higher Profits *system mean, and how does it benefit paper distributors?*
AA: Customizing the *Higher Profits* system involves entering commodity line data into the *Higher Profits* template. This template is a LOTUS 1-2-3 (trademark of LOTUS Development Corporation) spreadsheet used to calculate company ratios and to flag those that are out of line or showing negative trends.

The advantage of customizing the template is to provide the user with his own commodity line ratios with which to compare his company's results. There is just not much advan-

Continued on page 33

Free Case Study: *Those who wish to receive an actual case study showing the application of this program in a company, may request a free copy from the NPTA Communications Department by mail, phone or by checking the appropriate box on the tear-out card in this issue.*
—Editor

Who Gets What When You Start a Telemarketing Program?

Barbara Tyler Vivian, market development services supervisor for 3M, shares some thoughts on the interaction between field sales and telephone sales representatives.

By Barbara Tyler Vivian

Oftentimes when I work with a new telephone sales plan, when we arrive at the "who should we call" question, the first response is "the small accounts...the lowest volume accounts...the D accounts, etc." Makes sense, right? Not necessarily. Here's why.

When assigning accounts to telephone sales, there are several things to consider. First, based on your plan objectives, a decision must be made about whether the plan (a) will work with in-house accounts, either active or inactive; or (b) will build a new account base from outside lists; or (c) will combine the two.

In most companies there is a healthy resource of accounts to start any telephone sales plan. These are in the inactive account list; seminar, trade show and open house lists; leads received from manufacturers; and, of course, the active account list, which holds the greatest promise.

If you choose to select accounts from inside, here's a suggested procedure:

First, determine how many accounts can realistically be covered by your sales organization. Then look at the list of accounts assigned to each field sales representative. This figure will likely be larger than the first one. That means you have accounts "left over" who are not receiving adequate sales coverage.

Yet many of these accounts probably fall within a "B" category, with potential to move to an "A" with some concentrated attention. So we may end up with an account assignment that looks like Figure 1, utilizing our two strongest and most costly resources—field sales and telephone sales—where we can receive the greatest return on our investment.

In Figure 2 we see a situation in which the telephone sales representative can build an account to a "B" status, actually moving it into a position where it is called on less frequently than it should be for its potential.

The telephone sales representative is an expensive resource and, when hired and trained properly, can handle the "B" account quite nicely. It makes sense to give that person responsibility that will be challenging and profitable for the individual as well as the company.

The issue of compensation arises when accounts are "taken away" from the field representative. (An aside: this is rarely a concern when the reverse is true, i.e., taking away from telephone sales representatives accounts that have "grown up" and reassigning them to the field. Not much of a reward for a job well done.)

If the field sales representative is paid straight salary, or salary and commission, management can more easily control this situation. However, in a case where all or a majority of the compensation is based on sales, a different approach must be taken.

Some of the following ideas have been used by distributors. (The Solution is in boldface; the advantage/disadvantage is not.)

Provide sales credit to both telephone and field sales representatives. Cooperation vs competition/Double pay.

Split first year's sales credit. Small net loss to both telephone and field representative.

FIGURE 1

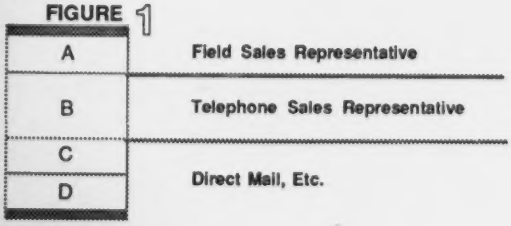
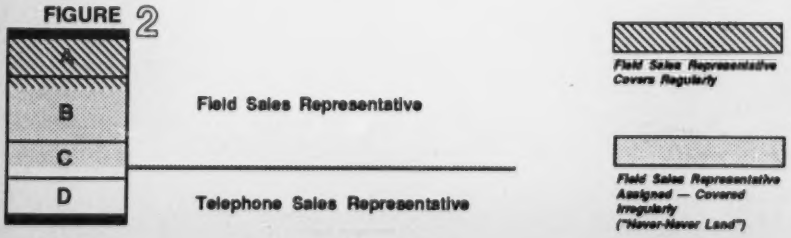


FIGURE 2



Telephone sales representative "buys" account from field representative for six month's commission. Telephone representative spends rather than earns.

Sales credit assigned to telephone sales representative entirely. Field sales representative resentful.

Take the time to determine exactly what the loss might be to the field representative and compare this to the cost of covering the acccount. In many cases more is spent than is earned.

Outside Lists

If you choose to go outside of your organization to select your accounts, there are numerous sources, which include:

- Trade publication subscription lists
- List brokers/directories
- D&B (listings by SIC)
- Yellow Pages
- Industry registries
- Trade association member rosters
- Chambers of Commerce

Cautions: if you are renting a list, you will be charged each time it is used, and to monitor their use most lists are seeded with phony names. Generally, you "own" a name only after you have received a response or an inquiry. There are lists which may include telephone numbers. Up-to-date Yellow Pages can be helpful. List brokers can usually find exactly the target list you are looking for—for a price. With list directories you can customize your own. Most lists can be produced in a variety of forms: labels, magnetic tape, cards, etc.

Barbara Tyler Vivian

A list seller usually offers a guarantee of deliverability at a certain percent. Be sure you clearly understand this part of the deal, and remember that no list will be 100% accurate.

Account selection is a major decision and the process described here is only the beginning. From these decisions come your account profile and determination about movement of accounts from one coverage method to another (from field to telephone and vice versa) and how it all fits into your overall coverage plan.

Remember, integration of your sales effort is critical to your success.

The issue of compensation arises when accounts are "taken away" from the field representative.

INTERVIEW/CONTINUED

from page 31

tage in comparing a paper distributor with, say, a heating, ventilating and air conditioning distributor. The businesses just aren't the same.

MN: *What kind of improvements in profitability can the user expect?*

AA: Results will vary, of course, with the size and the sophistication of the companies who apply the *Higher Profits* method, but significant savings are possible. In the pilot test we conducted, the pilot test companies identified productivity improvements worth more than $600,000 per company for an average of 150% of their average pretax income. Not bad. The savings and opportunities were identified in virtually all functional areas. Studies that have been performed since these pilot studies have also shown that the same very significant savings can be achieved.

MN: *What if I don't have a PC and don't intend to buy one. Can* Higher Profits *still help me?*

AA: Yes, *Higher Profits* can still be used, though QUICKFIND is unavailable. The ratios used in the *Higher Profits Template* are described in the book in sufficient detail so that anyone can actually get out their pencil and paper and calculate the ratios.

MN: *Thank you.*

Computerization Trends in Merchant Distribution

The costs and challenges of computerizing a distributorship today, to operate more productively and efficiently, are of paramount concern to many companies. It is a major decision to shift from a manual to an automated system, and there is no doubt that it usually takes more time, money and thought than originally expected.

During the Fall of 1986, a significant research study was completed that analyzed computerization by the wholesale distribution industry. Its findings, along with information from NPTA surveys, are indicative of the status of computerization with wholesalers in general and paper merchants in particular.

A profile of the typical respondent to the survey is a distributor with median sales of $8 million, in business 33 years, employing 35 people and having 1,200 active accounts.

How Computerized is the Industry?

This study found that 70.5% of the wholesale-distribution industry surveyed was automated in 1986, according to the CEOs involved. NPTA's own 1984 computer survey found that 77% of *paper merchants* were computerized, with another 10% expecting to be automated by mid-1985.

What Kind of System is Used?

Fully 76% use minicomputers to run their business, and another 11% use a mainframe (on-site or tied to one at a central location). Surprisingly, the use of personal computers is very low—only 2% use them. And, when they are used, it's primarily for word processing/supplemental activities. This corroborates NPTA findings in 1984, that 60% of the respondents did not see the use of personal computers expanding for business application, and 80% did not use PCs at home. Secondary uses for PCs by distributors include: programming, modeling, catalog or newsletter design, performed separately. PCs are not involved in the main business operations because companies need a more sophisticated information/filing system, especially regarding inventory (where constant access by several people at the same time, for different reasons, is critical.)

CEOs and the Computer

The average age of CEOs interviewed was 52 years. Seventy percent of these CEOs are "hands-off" managers that prefer not to get involved in the technicalities of the system but concentrate on the bottom line. The CEO is a major force in all purchasing decisions involving computer hardware/software—53% of all such items are bought directly by CEOs. A significant number of CEOs also stated that they were heavily involved in the entire transfer process to an automated system. Surprisingly, no one said that they used a computer for planning, although 84% said they do perform some type of planning activity.

The Initial Conversion Process

Fully 76% of survey respondents experienced moderate to high difficulty in changing their business from a manual to an automated operation. Sixty-five percent of the distributors said they were *hardware* oriented when they purchased the system, but companies are more aware now of the need to evaluate system *software* first. This is a key point, since the applications must be properly matched to a distributor's unique requirements to be most productive. Also, a large percentage of firms choose a single source for all their computer products.

System Longevity/Modifications

The average length of time users have been operating their current system is 3 1/2 years and 75% said they were satisfied with it. The other 25% that are not satisfied have merely outgrown their computer's capabilities. Thirty percent of those surveyed have switched systems at least once since their first purchase, and another 28% were committed to switching within 18 months. Forty-three percent of these changes were slated for upgrades (more speed or capacity, automating branch locations, etc.).

Software Issues

Findings revealed that almost all distributor computer users have a complete range of applications, especially in fundamental accounting aspects. Word processing and spreadsheet software are also very common. *Inventory* programs are, without a doubt, the most difficult and time-consuming to set up and maintain, since each company's requirements are unique. (Most companies demand significant customization with inventory software.) Distributors use the computer less extensively for the payroll function—only 50% use computerized in-house payroll, the remainder doing it manually or going with an outside source.

Nearly 50% of users select local or out-of-town vendors that are small-medium size specialty software houses. In-house programmers are used by only 24% of survey participants. Another major source is a large vendor such as IBM, NCR, Qantel, Hewlett Packard, DEC, etc., who has turnkey packages. No companies bought standard, "off-the-shelf" software to accomplish *major* support functions. Most distributors (74%) are "locked-in" to their current software suppliers, due to high changeover costs. As for industry-specific software, 49% of those surveyed said

they have seen or heard about custom-tailored applications used in their specific commodity line. NPTA believes that this percentage is substantially higher for paper merchants.

Current applications include: accounts payable/receivable, general ledger, inventory, order entry, payroll, purchasing, word processing, spreadsheet, vehicle maintenance, forecasting and point-of-sale.

EDP Expenses By Type Merchant

(Incl. total data processing expenses, equipment & facility lease payments and/or depreciation, people costs, supplies, service bureau costs)

	1983	1984	1985
Printing Paper			
Estimated EDP Expense* $ Spent/yr.	$54,550	$ 86,200	$ 75,900
EDP Expenses As % Net Sales (%)	.30	.35	.37
EDP As % Gross Profit (%)	2.04	2.12	2.14
Industrial Paper			
Estimated EDP Expense* $ Spent/yr.	$62,270	$ 49,950	$ 56,000
EDP Expenses As % Net Sales (%)	.64	.61	.63
EDP As % Gross Profit (%)	2.86	3.01	2.84
Dual Merchants			
Estimated EDP Expense* $ Spent/yr.	$67,715	$109,270	$117,200
EDP Expenses As % Net Sales (%)	.45	.64	.63
EDP As % Gross Profit (%)	2.61	3.99	3.67

*Derived by multiplying median EDP expenses as a percent net sales by median sales of PAR participants.

SOURCE: Annual NPTA/MFI Performance Analysis Report Surveys

What Are the Costs?

The October, 1986 study providing the above mentioned findings did not cover EDP costs, but NPTA's annual financial survey of paper merchants (Performance Analysis Report—PAR) does generate a few interesting statistics. As shown in the table below, EDP expenses are significant and rising.

Relative to sales, industrial and dual paper merchants spend more than printing paper houses—about 0.63% of net sales in 1985. This percentage has risen steadily for printing paper houses since 1983, and has eaten up more of gross profits as well—2.14% in 1985. Dual merchants are estimated to spend a median $117,000 yearly on EDP versus $76,000 printing and $56,000 industrial. Personnel costs, service bureaus and depreciation is included in these dollar figures. Obviously, some firms will spend significantly more or less, depending on their phase of computerization, whether they switch systems or undergo a major upgrade or are automating branch locations. However, these can be useful industry yardsticks to look at.

Note: 1986 PAR ratios for EDP expenses will be available from NPTA by mid-June, 1987.

A new study, to be released this summer, *The Forces of Change*, updates the 1983 Arthur Andersen/DREF study entitled *Future Trends in Wholesale Distribution*. Its findings point out that EDP expenses for *all* wholesalers in general may go as high as 4% of sales over the next five years. Paper merchants should expect this increase, and be aware that if they do not keep up with increased EDP investment and new "leading edge" technologies such as bar coding/computerized inventory control, they may well be left behind and ultimately be at a competitive disadvantage. The fixed asset base is expected to increase, relative to total assets. And, a big component of these fixed assets will be computer systems. EDP can represent as much as 0.8% of net sales for larger paper merchants, but this is still far from the 4% level projected by industry experts.

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Commerce Dept. Forecasts Merchant Growth to 1991

Slight improvement seen for 1987, with sales up 2.2% over 1986.

The U.S. Department of Commerce's 1987 edition of the *U.S. Industrial Outlook* has recently been released. Wholesale trade is covered, encompassing durable and nondurable goods sectors classified in SIC code group 50 and 51. Paper merchant wholesalers are classified within group 51 (5111—printing and writing paper, 5113—industrial and personal service paper).

The report covers major issues affecting wholesalers in general, the larger environment in which paper merchants operate. According to the Commerce Department, *merchant* wholesalers (as compared to manufacturers' sales branches, agents, brokers, commission merchants) usually account for nearly 60% of total wholesale *sales*, over 75% of *employment* and 80% of total *establishments*.

Following is the Commerce Department's outlook:

Current Situation

As the economy continued its recovery in 1984, merchant wholesalers' sales increased by almost 13%. Since 1984, however, economic growth has tapered off, and merchant wholesalers' estimated sales increased only 1% in 1985 and again in 1986.

Merchant wholesaling sales during the first 6 months of 1986 were 1% below the same period a year earlier. Sales by durable goods wholesalers increased by 3.7%, but sales by nondurable goods wholesalers decreased by 4.8% between the two periods. Merchant wholesale sales picked up in the second half of 1986, 1.1% (current dollars) over the 1985 level.

Outlook for 1987

The economic conditions of 1986 are expected to improve only slightly in 1987. Merchant wholesalers' sales will probably exceed $1.4 trillion, 2.2% more than the 1986 level. Sales by nondurables wholesalers should reach $760 billion, an increase of 1.3%.

Long-Term Prospects

Assuming that the economy picks up, total merchant wholesalers' sales are expected to grow at a compound annual rate of 4% during the 1987–91 period. Sharply changing market conditions, triggered by years of rising costs, new product introductions and a shrinking capital base, will raise a number of issues in the future. Dealing with those issues during the next decade will challenge merchant wholesalers to plan more precisely.

Merchant wholesalers probably will increase their dominance of the wholesale industry in the next decade through improvements in productivity and management. Productivity improvements now being implemented include greater use of computer information systems, extensive training for employees and clients in the use of electronic systems and increased use of telecommunications systems.

Many wholesalers are continuing to diversify into complementary commodity lines as a means of achieving greater sales. Other reasons for diversifying are to stay ahead of competition, to level out cyclical swings and to meet customer demand.

The rising cost of field sales is a growing concern for wholesalers. They will respond to this challenge by relying more heavily on their inside sales organization, which will mean upgrading technical skills. Also, they will become more deeply committed to nonpersonal selling techniques such as telemarketing, direct mail and systems selling.

Finally, the computer will become an even more important tool to the wholesaler. In addition to basic accounting and analysis of sales reports and customer accounts, computers will be used for taking on-line orders from customers, as well as communicating with manufacturers.

Employment and Earnings

While employment in the service trades sector is continuing to increase as a share of total U.S. employment, wholesale trade is showing only modest relative employment gains. The total workforce in wholesaling increased in 1986, but more slowly than in the prior year. Employment reached approximately 5.8 million, a gain of 1.4%.

During 1985, the average workweek was 38.3 hours, about the same as in the preceding year. Average hourly earnings increased 2.8%, to $9.13 an hour.

Business Failures

The number of business failures rose once again in 1985, according to data compiled by Dun & Bradstreet Corporation. Wholesale business failures in the fourth quarter of 1985 increased by 9.4%, to 1,229 from 1,123 in the comparable period year earlier. Nondurable goods wholesalers fared better than durable goods wholesalers.

Wholesalers appear optimistic that, with improvement in the economy and continued low inflation rates, their sales will grow, thereby halting the rising number of business failures. In the long run, wholesaling firms are devising business strategies that reduce their likelihood of

failing. Such strategies include increasing the efficiency of day-to-day operations, analyzing their weaknesses and strengths, computerizing business operations and expanding product lines.

Acquisitions and Mergers

More wholesalers, well aware of the profit potential in specialization, will either merge, buy out, open new branches, or establish specialized capabilities in-house. Computer systems already in place in the headquarters offices of those wholesalers that have merged or are contemplating such a move can be easily linked to acquired companies and their branch offices. Inventories can be tailored closely to local markets, and central purchasing on a larger scale can allow wholesalers to deal more efficiently with suppliers.

Computer Usage Growing

An estimated 70% of wholesalers now have some type of computer system in place, but few make full use of their system's potential, according to industry sources. Computers are now commonplace in the operational end of the business for keeping track of receivables, salaries and inventories, which are a major percentage of wholesalers' assets. Wholesalers are just beginning to use computers in such functions as sales and marketing and in warehouse automation.

Although some wholesalers are equipping outside salesmen with remote terminals with modems that can transmit orders and receive inventory, credit and other data by telephone, the move to electronic order entry has been relatively slow, according to industry sources. Telephone hookups between computers could allow customers to enter orders at their convenience, often through a customer-specific matrix of such factors as price and inventory numbers.

Taxes and Tax Reform

The most recent study by the Congressional Joint Committee on Taxation indicates that wholesalers have been paying a 35% effective tax rate—the second highest in the nation. Wholesalers have been paying high taxes because they are labor and inventory intensive. As a result, they have been able to make only relatively minimal use of the most generous preference 2 items contained in current tax law.

The recently approved Tax Reform Act of 1986, which dramatically reduces corporate and individual nominal tax rates by broadening the tax base, will significantly benefit most wholesalers. Through the new tax rate structure (a 34% top corporate rate and a graduated rate structure), as well as through such provisions as the simplified Last-In-First-Out (LIFO) method of inventory accounting and the increased expensing limits for capital assets, most wholesalers, large and small, will see their heavy tax burden reduced. The NAW predicts that the Tax Reform Act will contribute more to the wholesale industry's retained earnings than any other single piece of legislation in several decades.

Long before this tax reform was proposed, the NAW formed the Coalition to Reduce High Effective Tax Rates. Subsequently, the NAW, along with representatives of other affected industries and companies, formed the Tax Reform Action Coalition (TRAC). TRAC's membership ultimately exceeded 250 associations and corporations representing more than a million large and small businesses nationwide. TRAC is widely credited with coalescing business support for tax reform legislation, which helped its passage by Congress.

Mandated Benefits

Recent congressional attempts to mandate certain employee benefits, specifically parental and medical leave, are a key concern to wholesalers. The wholesale industry is labor intensive. As such, employee benefits such as pension plans, life and health insurance and disability leave, are a significant portion of wholesalers' costs of doing business.

The industry overwhelmingly opposed legislation introduced in the House and Senate during the 99th Congress requiring all businesses with more than 15 employees to provide family and disability leave. Not only would the legislation provide 18 weeks of unpaid leave for employees upon the birth or adoption of a child, it would also provide the same amount of leave for employees with sick parents or sick dependent children. Moreover, employers would be required to guarantee employees the same or a similar job upon return to work and to pay for continued health benefits during the employee's absence.

Wholesalers believe that imposing mandatory benefits over and above those required under current law would reduce the flexibility they now have to provide a benefit package suited to their employees' needs. They also contend that mandated family leave would force them to cut back on other benefits in order to absorb the cost of those imposed by Congress. This would, in turn, be discriminatory to employees in the industry who need other kinds of benefits.

Note: The complete book, *1987 U.S. Industrial Outlook*, covering reviews of over 350 manufacturing and service industries, can be ordered for $24 from the U.S. Government Printing Office, Washington, D.C. 20402-9325. The stock order number is 003-008-00200-5.

Summary National Trend Information: 1985 To Present

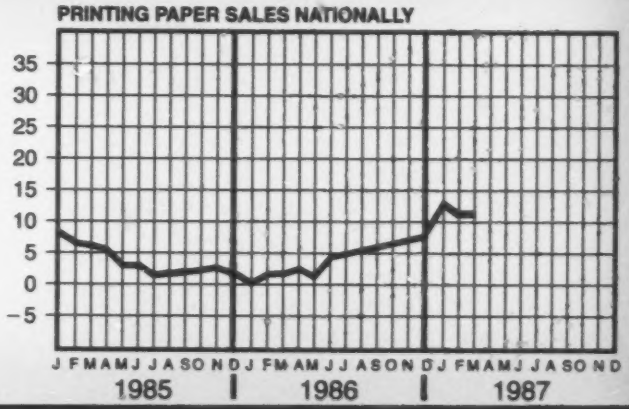
NOTE: *BEGINNING WITH THE JANUARY 1986 REPORT, STATISTICS WERE PRODUCED BY A NEW SYSTEM. THEREFORE, STRICT COMPARISONS TO PRIOR REPORTS SHOULD NOT BE MADE.*

SALES INFORMATION

YEAR-TO-DATE SALES PER SELLING DAY AS A PERCENTAGE OF PREVIOUS YEAR'S YEAR-TO-DATE SALES PER SELLING DAY

INDUSTRIAL PAPER SALES NATIONALLY

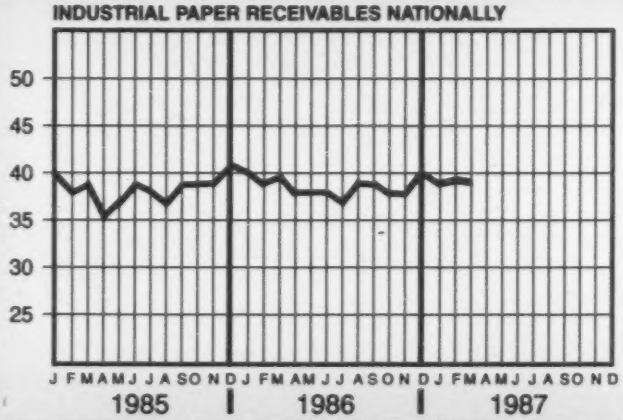
PRINTING PAPER SALES NATIONALLY



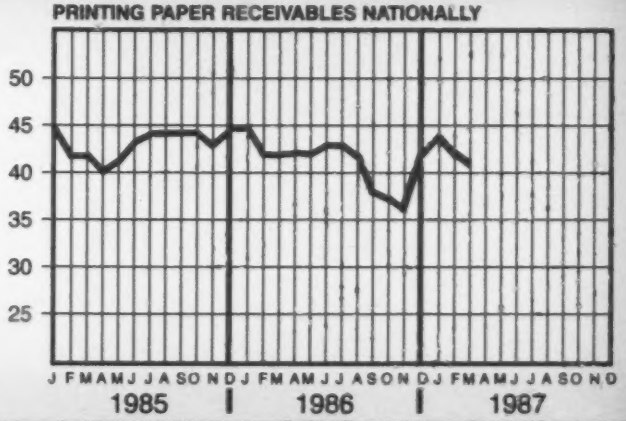
RECEIVABLES INFORMATION

DAYS OUTSTANDING—ACCOUNTS AND NOTES RECEIVABLE FROM PAPER SALES AT END OF EACH MONTH (IN CALENDAR DAYS)

INDUSTRIAL PAPER RECEIVABLES NATIONALLY



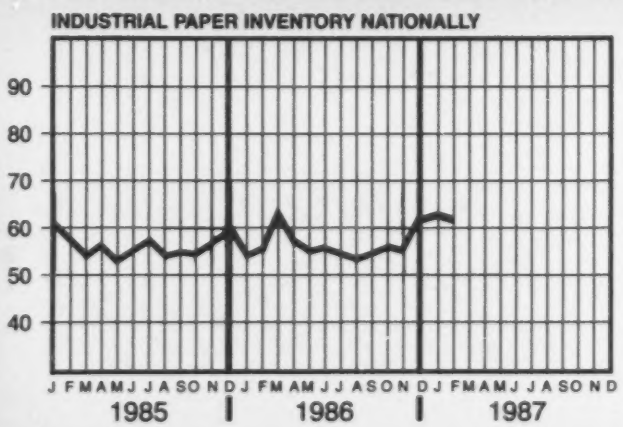
PRINTING PAPER RECEIVABLES NATIONALLY



INVENTORY INFORMATION

CALENDAR DAYS COST OF ENDING MONTHLY INVENTORY (FIFO) (IN CALENDAR DAYS)

INDUSTRIAL PAPER INVENTORY NATIONALLY



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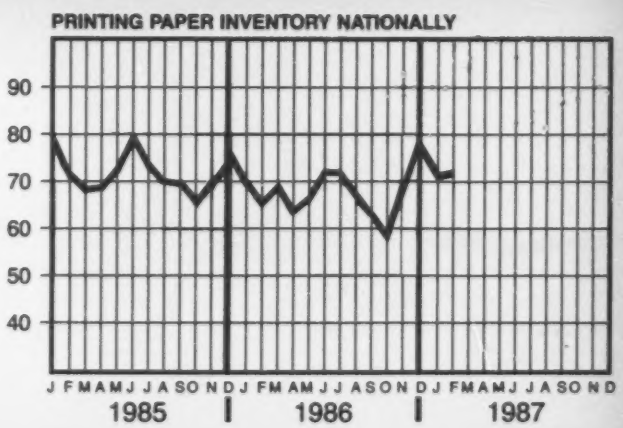

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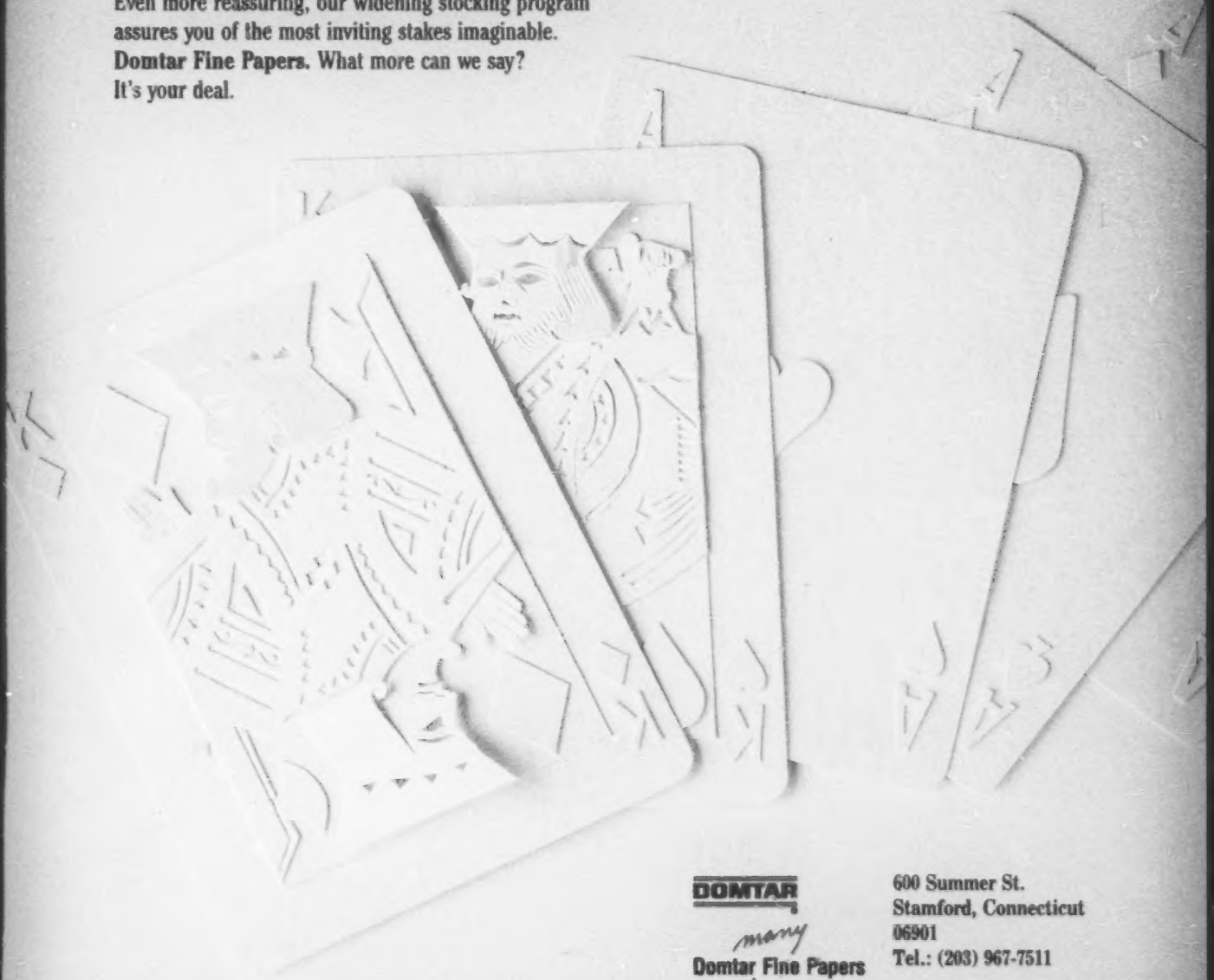

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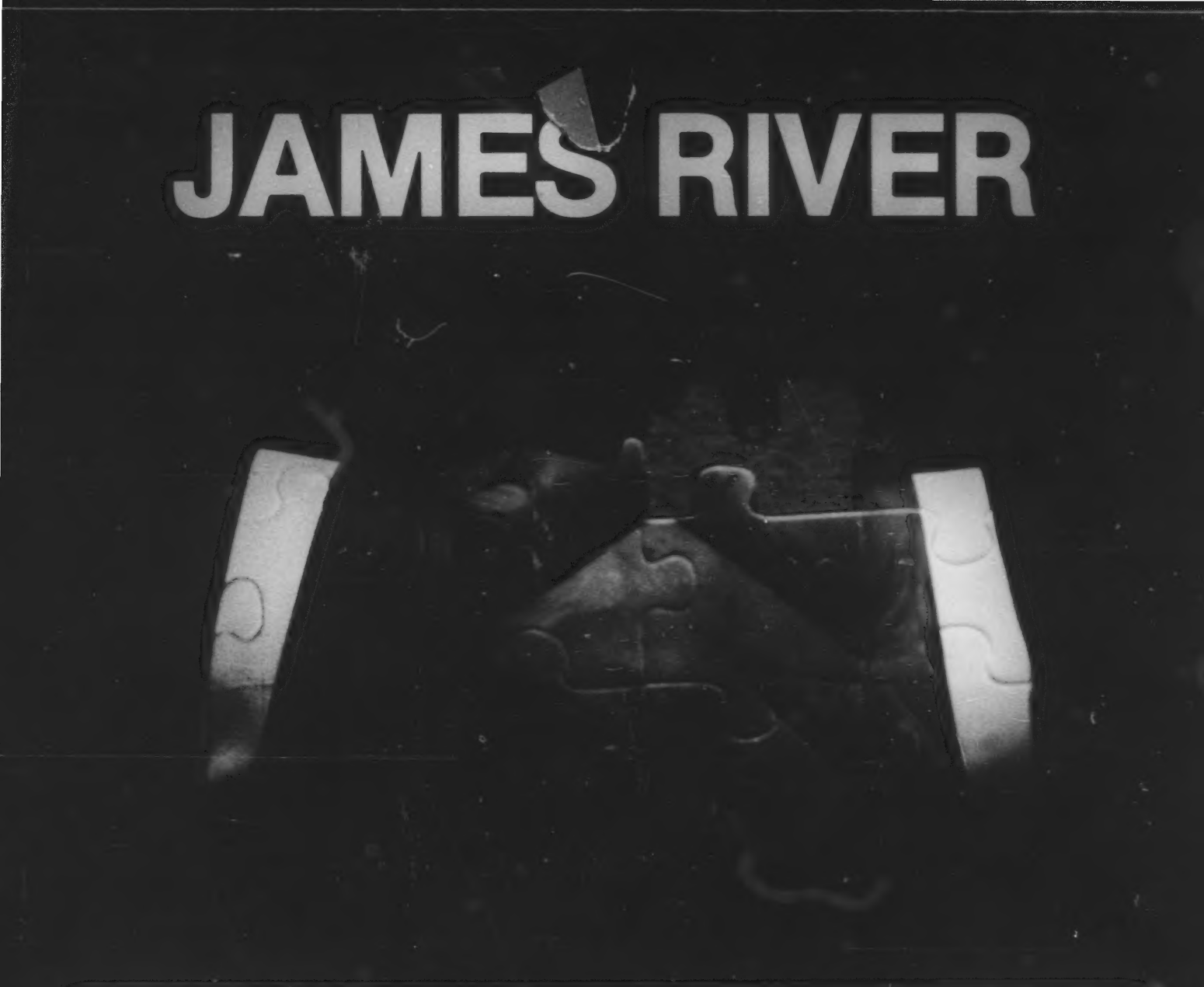

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